

HAC Reduction Program Wage Rate Update to FY2019 PRA Package

The HAC Reduction Program is updating the wage rate used in its cost estimates under OMB control number 0938-1352 to reflect more current wage rate information and align with other CMS quality reporting programs using the more current figures. OMB has currently approved the HAC Reduction Program for 43,200 hours of burden and approximately \$1,580,256.00 million in costs accounting for information collection requirements that will be experienced by 3,300 IPPS hospitals beginning in the FY 2021 program year. The current information collection cost figures were based on an hourly wage estimate of \$18.29 per hour for a Medical Records and Health Information Technician professional plus 100 percent overhead and fringe benefits.¹ More recent wage data have become available, and we are updating the wage rate used in these calculations to \$18.83² per hour plus 100 percent overhead and fringe benefits. We calculate the cost of overhead, including fringe benefits, at 100 percent of the hourly wage estimate. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary significantly from employer-to-employer and because methods of estimating these costs vary widely from study-to-study. Nonetheless, we believe that doubling the hourly wage rate ($\$18.83 \times 2 = \37.66) to estimate total cost is a reasonably accurate estimation method. Accordingly, we calculate cost burden to hospitals using a wage plus benefits estimate of \$37.66 per hour. Using the updated wage rate, we estimate a new cost of approximately \$1,626,912.00 (43,200 hours x \$37.66 per hour³) from \$1,580,256.00 (43,200 hours x 36.58) for a difference of \$46,656.00.

The HAC Reduction Program did not make any other modifications to its burden calculations.

¹ In the FY 2019 IPPS/LTCH PPS final rule (83 FR 41697), we finalized an hourly wage estimate of \$18.29 per hour, plus 100 percent overhead and fringe benefits, for the HAC Reduction Program using Bureau of Labor Statistics information.

² Occupational Employment and Wages. Available at: <https://www.bls.gov/ooh/healthcare/medical-records-and-health-information-technicians.htm>.

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