



June 10, 2011

www.ober.com

IN THIS ISSUE

<u>Quality Reporting for</u> <u>IRFs and More Lenient</u> <u>Rules on Size and</u> <u>Square Footage for</u> <u>IRFs and IPFs on the</u> <u>Horizon</u>

<u>New Wage Index</u> <u>Occupational Mix</u> <u>Survey Data Due July</u> <u>1</u>

<u>CMS Proposes Rule</u> <u>Advancing Universal</u> <u>Access to Influenza</u> <u>Immunization</u>

Editors: <u>Leslie Demaree</u> <u>*Goldsmith*</u> and <u>Carel T.</u> <u>*Hedlund*</u>

New Wage Index Occupational Mix Survey Data Due July 1 By: Leslie Demaree Goldsmith

Hospitals' occupational mix data using the new 2010 survey form is due to fiscal intermediaries (FIs) and Medicare administrative contractors (MACs) by July 1, 2011. The new survey, Form CMS-10079 (2010), collects data from the 2010 calendar year and will be applied beginning with the fiscal year (FY) 2013 wage index.

CMS is required by statute, 42 U.S.C. § 1395ww(d)(3)(E), to collect this data every three years. The purpose of the data is to establish an occupational mix adjustment for the wage index. This adjustment is intended to control for the effect of hospital employment choices, on the theory that a costly skill mix of employees reflects management choices rather than geographic differences in the costs of labor, and that such management choices should not be reflected in the wage index.

The preliminary unaudited occupational mix data will be available through public use files released in early October 2011, along with the FY 2009 Worksheet S-3 wage data for the FY 2013 wage index review and correction process. There will be a 60-day period, beginning around October 1, 2011, for hospitals to request changes to the occupational mix data published by CMS.

Ober|Kaler's Comments

Providers should submit complete and accurate data on the survey form, as the data impacts the wage index for three years. Any disagreements with the occupational mix data should be brought to the attention of the FI or MAC during the correction process. Providers should also be mindful that the CMS Office of the Inspector General (OIG) has listed the occupational mix data as a new area of review in its <u>FY 2011 Work Plan</u>.

Payment Matters[®] is not to be construed as legal or financial advice, and the review of this information does not create an attorney-client relationship.