Medicare Hospital Occupational Mix Data Analysis
Revised Data for the Development of the Federal Fiscal Year 2021 Wage Index
-Version 1-

Analysis Description

The Medicare Hospital Occupational Mix Data Analysis – Revised Data (January 31, 2020 Release) is intended to provide hospitals with a comparative review of the occupational mix data that will be used to develop the federal fiscal year (FFY) 2021 Medicare hospital wage index.

The data analyzed is revised and is the second of three occupational mix data public use files (PUFs) that Centers for Medicare and Medicaid Services (CMS) will issue to develop the hospital wage index for FFY 2021. Because this data is subject to revision, this analysis is not intended to be used to calculate an occupational mix adjusted wage index, but to give hospitals a way to review the revised occupational mix data published by CMS.

It is extremely important that hospitals review these wage data. Under CMS' hospital wage index development timetable, hospitals have until February 14, 2020 to submit requests for either corrections to errors in the January PUFs due to CMS or Medicare Administrative Contractor (MAC) mishandling of the data, or for revisions of desk review adjustments to wage index data as included in the PUFs. Since this is the second release, there is not enough time for MACs to process new data, therefore no new data requests will be addressed. Requests and supporting documentation for revision requests must be submitted to the hospital's MAC.

CMS' hospital wage index development timetable is available online at:
https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Wage-Index-Files-Items/FY2021-Wage-Index-Home-Page.html?DLPage=1&DLEntries=10&DLSort=1&DLSortDir=descending

In most cases, the occupational mix data does not change because it comes from the same survey which is only done every 3 years: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Wage-Index-Files-Items/2016-Occupational-Mix-Survey-Hospital-Reporting-Form-CMS-10079-for-the-Wage-Index-Beginning-FY-2019.html?DLPage=1&DLEntries=10&DLSort=1&DLSortDir=descending.

Data Source

This analysis utilizes the occupational mix data files provided as public use files (PUFs) posted to the CMS website on May 17, 2019 (Preliminary) and January 31, 2020 (Revised) at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Wage-Index-Files.html. The hospitals analyzed include hospitals reporting survey data and hospitals that were included in

the preliminary/revised 2017 wage data PUFs but did not report occupational mix survey data. A special note is provided for hospitals that did not report survey data.

Table 1

The first table is intended to provide a review of the occupational mix survey data that was submitted to CMS.

This report is intended to provide a comparison of the revised and preliminary occupational mix data used for the FFY 2021 wage index. This report can be used to review and highlight any errors in the reporting.

This table also provides benchmark comparisons to the hospital's CBSA and the Nation. These comparisons are included to give hospitals an indication of how their average hourly wage (AHW) by occupational mix category compares to the CBSA and Nation. Hospitals should focus their benchmark review on the "Total Nursing Reported" line. In general, if the hospital AHW reported here is greater than the CBSA amount, the hospital's data may cause the CBSA to be disadvantaged when calculating the occupational mix adjustment.

Note: The Registered Nurse (RN) occupational mix categories tend to drive the occupational mix calculation and hospitals should ensure that data reported in these categories are correct. In general, hospitals that report RN AHWs at a level lower than the Nation tend to receive a positive occupational mix adjustment. RN hours as a percent of total nursing hours is provided to support review of the RN occupational mix category.

In addition, table 1 provides a notes column to indicate when the hospital's data is more than 3 standard deviations from the national average. This may be an indication of a reporting error.

Table 2

The second table is intended to provide an idea of how the occupational mix data, as currently reported, could affect a hospital when compared to the nation. While the occupational mix adjustment is made on a CBSA level, a hospital-specific factor is provided to show how the hospital's occupational mix data compares to the nation. A hospital-specific occupational mix factor greater than 1.0 indicates that the hospital has a less expensive mix of employees than the U.S. If the occupational mix factor at the CBSA level (reflecting data from all hospitals in the CBSA) is greater than 1.0, the occupational mix adjustment will increase the CBSA wage index. A comparison to the current hospital-specific occupational mix factor is also provided.