

June 3, 2003

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Ref: CMS-10079 — Agency Information Collection Activities: Proposed Collection; Comment Request; Hospital Wage Index Occupational Mix Survey, Form No. CMS-10079 (68 *Federal Register* 16516), April 4, 2003.

Dear Administrator Scully and Ms. Willingham:

On behalf of the National Rural Health Association (NRHA) I would like to thank you for the opportunity to comment on the Centers for Medicare & Medicaid Services (CMS) proposed occupational mix survey, which will be used to collect data on the mix of hospital employees for the purpose of constructing an occupational mix adjustment to the wage index.

As you are well aware, the need for a fair and accurate wage index that reflects the true costs of delivering care in rural America is of paramount importance to the NRHA. However, the NRHA is greatly concerned that CMS is proposing a data collection tool for public comment without including any information as to how the survey data will be used to adjust the overall wage index. We are left with the uncomfortable task of commenting on a proposed survey tool, when it remains totally unclear how the tool will be used to adjust the hospital wage index.

We therefore call on CMS to immediately publish a detailed proposed methodology, for comment, illustrating how the occupational mix index will be calculated and how it will be used to adjust the overall wage index. Without public review of this information, we are forced to register our concern that this process may simply divert additional resources from patient care to complete a burdensome, and potentially unusable, occupational mix survey.

NRHA is on record for our belief that a wage index adjusted for occupational mix would redistribute funds from urban hospitals in general to rural hospitals. However, CMS is providing no information that indicates how the proposed data collection effort will translate to more equitable payments, or the impact it will have on all types of providers. This information is critical before moving forward with a burdensome data collection tool that may not even result in obtaining the information necessary to appropriately make adjustments to the hospital wage index.

We share the American Hospital Association's view that CMS has significantly underestimated the time and cost to complete the proposed survey tool, as well as the burden on fiscal intermediaries. The agency has indicated that, on average, it should take hospitals approximately 20 working days, or one month, to complete the survey. We believe this is an inaccurate estimate. In addition, obtaining contracted labor hours and details by occupational category from vendors will also require more time than CMS has provided. This task becomes much more difficult if the employees need to be delineated based on the current four wage intervals. This will require additional time from hospital contractors' at an additional cost to the hospital. It is also unclear whether vendors would be able to determine the amount of their staff time dedicated to fulfilling the contract for a particular hospital. Given that a particular contractor likely services many hospitals, we are concerned that a potential one-month deadline is unfeasible, and beyond hospitals' control.

Finally, we believe that it will take fiscal intermediaries longer than 5 hours per hospital to review and approve submitted data. While it is unclear what types of accuracy checks will be performed by the fiscal intermediary (FI), as the data do not mirror that typically submitted on a hospital's cost report, it is likely that these checks will need to be done on a hospital, regional and national level. The occupational survey tool requires more information and detail than that currently collected on the cost report S-3 worksheet that it would likely require more time to verify. Additionally, it is likely that FIs will spend much time answering hospital questions before submission of the data.

Given the importance of the data, it is critical that rural hospitals are provided an opportunity to review the finalized information to ensure its accuracy and an opportunity to appeal incorrect information. Even though the current wage data has been collected for many years, over 30 percent of the hospitals had corrections last year. Given that this is the first year of a new data collection, CMS must develop a detailed process to allow both hospitals and FIs to make corrections to submitted data, and this process will require a sufficient amount of time to complete.

Summary:

The NRHA is greatly disappointed that given the magnitude of this issue for rural providers, that CMS is proposing to proceed as outlined in the public proposed rule. **If CMS refuses at this time to publicly share the proposed methodology, for comment, illustrating how the occupational mix index will be calculated and how it will be used to adjust the overall wage index, then the NRHA calls for a delay in the data gathering process. However, we do not support any delay in the mandate to implement a useful and meaningful occupational mix adjustment for the FY 2005 PPS proposed rule.**

The NRHA is a national nonprofit membership organization that provides leadership on rural health issues. The association's mission is to improve the health of rural Americans and to provide leadership on rural health issues through advocacy, communications, education and research. The NRHA membership is made up of a diverse collection of individuals and organizations, all of whom share the common bond of an interest in rural health.

Once again, I appreciate the opportunity to comment on this proposed rule and thank you for your consideration. If you have any questions, please feel free to contact the NRHA's government affairs office at (703) 519-7910.

Sincerely,

Wayne Myers, MD
President