

HFMA Region 9 Preparing Your Occupational Mix Survey

Presented by:

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Services, Inc.

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Agenda

- **General Overview**
 - Occupational Mix background
 - Importance of Occupational Mix
 - Who has to participate in Occupational Mix Survey?
 - Survey due dates
- **Discuss the categories for data input**
 - Gathering data
- **How occupational mix adjustment factor is calculated**
- **The impact on wage index**
- **Strategy for completion**



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Occupational Mix Background

- Section 304(c) of Public Law 106-544 amended section 1886(d)(3)(E) of the Social Security Act requires Centers of Medicare and Medicaid (CMS) to collect data every 3 years on the occupational mix of employees for each short-term, acute care hospital participating in the Medicare program.
- CMS estimates that it takes more than 480 hours to complete the occupational mix survey, including the time to review instructions, search existing data sources, gather the data needed, and complete and review the information collection.



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Why is Occupational Mix Important?

- “The purpose of occupational mix is to control for the effect of the hospitals’ employment choices on the wage index”
- “The varying labor cost associated with these choices reflect hospital management decisions rather than geographical differences in the costs of labor”
- To standardize skill mix across markets so that the wage index reflects only the pure price difference between markets and the nation
- If you decide to staff with higher RN levels your wage index is higher so Occupational Mix controls that effect



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Why is Occupational Mix Important?

- Markets with an expensive mix of employees and contract labor have their AHW adjusted downward; those with a cheaper mix of employees and contract labor have their AHW increased
- The most important factor is RN hours to total nursing hours. The national percent from the previous survey was 71.5%, so if your RN percentage was greater than that, you received a negative occupational mix adjustment (OMA). If it was less than 71.5%, then the adjustment was a positive OMA



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Why is it Needed?

- The Occupational Mix Survey is an integral part of the wage index
 - Nursing salaries as a percentage of total salaries are the portion of the wage index adjusted by the Occupational Mix Adjustment Factor
- The purpose of the data collection is to construct a Occupational Mix Adjustment Factor (OMAF) that will be applied to the FFY 2019, 2020 and 2021 wage index



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What Has Been the Effect of the Occupational Mix?

- Small and rural hospitals that need to hire a certain number of RNs end up with a higher percentage of RN to total nursing hours
- These hospitals often receive a negative OMA due to this higher percentage
- The hospitals that the OMA was designed to help, or at least even the playing field, are the ones most often hurt by it



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Who Must Participate?

- Any hospital that is subject to the Inpatient Prospective Payment System (IPPS) or any hospital that would be subject to IPPS if not granted a waiver
 - Excluded from the survey
 - Critical Access Hospitals
 - Any hospital that terminated participation in the Medicare program before January 1, 2016



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Participation Rates

- Prior survey 94% Response Rate Nationally

State	Response	State	Response
Arkansas	90.9%	Oklahoma	84.5%
Louisiana	81.5%	Texas	87.0%
Mississippi	90.0%		

- No Penalty for non-response in the past. CMS reserves the right to apply a penalty for non-response. Currently a non-responding hospital receives its areas average occupational mix



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Important Dates

- The Occupational Mix Survey is due July 3, 2017 and will be applied to the FFY 2019
 - Completed Occupational Mix Survey must be submitted to your fiscal intermediaries, on the Excel reporting form.
 - Form CMS – 10079 OMS
 - The Excel version of the occupational mix survey can be downloaded from CMS website



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Important Dates

- The fifth and most recent Occupational Mix survey was conducted from 1/1/13 to 12/31/13. Third and final year of impact begins October 1, 2017
- This filing is for calendar year 2016 (pay periods ending between January 1, 2016 and December 31, 2016)
 - They are looking for 26 pay periods without accruals or other adjustments
- Due July 3, 2017



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Occupational Categories

- The occupational categories derive directly from the BLS employee categories
- Include employees, directly hired and acquired under contract
 - RNs
 - LPNs and Surgical Technologists
 - Nursing Aids, Orderlies, and Attendants
 - Medical Assistants
 - All Other Occupations



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Occupational Categories

Occupational Category	Paid Salaries	Paid Hours	Average Hourly Wage (Salaries/Hours)
Nursing Occupation			
RNs			
LPNs and Surgical Technologists			
Nursing Aides, Orderlies, & Attendants			
Medical Assistants			
Total Nursing			
All Other Occupations			
Total (Nursing and All Other)			



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Cost Centers to be Used for Occupational Categories – from Worksheet A

COST CENTER DESCRIPTIONS	Lines for 2552-10
Nursing Administration	13
Adults and Pediatrics (General Routine Care)	30
Intensive Care Unit	31
Coronary Care Unit	32
Burn Intensive Care Unit	33
Surgical Intensive Care Unit	34
Other Special Care (specify)	35
Nursery	43
Operating Room	50
Recovery Room	51
Delivery Room and Labor Room	52
Electrocardiology	66
Renal Dialysis	71
Ambulatory Surgical Center (Non-Distinct Part)	72
Other Ancillary	73
Clinics	90
Emergency	91
Observation Beds	92
Note: Subscripted cost centers that would normally fall into one of these cost centers should be included on the survey.	



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Gathering the Data

- **Paid Salaries**
 - Regular, overtime, vacation, holiday, sick, lunch, other paid time off, severance and bonuses
- **Paid Hours**
 - Regular, overtime, vacation, paid holiday, sick, lunch, other paid time-off and severance hours
 - Overtime hours paid at time and a half should be recorded as one hour
 - Salaried employees paid a fixed rate should be 40 hours per week or hours actually worked
 - Do not include non-paid lunch periods, and on-call hours in the total paid hours
 - No hours are required for bonus pay



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Who May be Involved in the Process

- **Chief Nursing Officer**
- **Payroll**
- **Human Resources**



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Registered Nurse Wage Data

- May 2015 U.S. BLS wage data:
 - Highest – California \$48.68 AHW \$101,260 annual
 - Lowest – Iowa \$26.46 AHW \$ 55,040 annual
- RN wage data for Region 9:

STATE	AHW	ANNUAL
Arkansas	\$27.34	\$56,870
Louisiana	\$30.03	\$62,450
Mississippi	\$27.39	\$56,980
Oklahoma	\$28.39	\$59,040
Texas	\$33.60	\$69,890



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Contract Labor

- Include all contract labor included on Worksheet S-3
 - Line 11 – Direct Patient Care
 - Lines 28, 33 and 35 – Contracted A&G, Dietary & Housekeeping
 - Use amounts paid in calendar year 2016



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What is Not Included

- Employees in areas excluded from IPPS
 - Skilled-nursing facilities, psychiatric, or rehabilitation units
 - Worksheet S-3, Part II, Lines 9 and 10
 - Part A Teaching Physician, Physician Part B, and CRNAs
 - Worksheet S-3, Part II, Lines 3, 4.01, 5, & 6
 - Interns and Residents
 - Worksheet S-3, Part II, Lines 7



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Occupational Mix Adjustment Factor

- CMS calculator at CMS Website
- <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Wage-Index-Files-Items/FY-2016-Wage-Index-Home-Page.html>
 - Then scroll down for FY 2016 Final Rule AHW Calculator



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OMA Calculator

Spreadsheet for Final FY 2016 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and or Blue** are calculated fields- DO NOT ENTER any information here

Provider Information

Provider Number	
MAC #	
Occ Mix Begin Date	
Occ Mix End Date	

			step 1	step 2	step 3	step 5	step 6	in step 7
	Provider Occ Mix Hours	Provider Occ Mix Salaries	Provider % by Subcategory	FY 2015 Final National AHWs by Subcategory	Provider Adjusted AHW	Final FY 2015 National Adjusted Nurse AHW	Nurse Occ Mix Adjustment Factor	Provider % by Total
RN	0	0	0.00%	\$38,823902202	0			
LPN and Surgical Technicians	0	0	0.00%	\$22,767361175	0			
National Nurse Aides, Orderlies, and Attendants	0	0	0.00%	\$15,955866208	0			
Medical Assistants	0	0	0.00%	\$18,006207097	0			
Total Nurse Hours and Salaries	0	0			0	\$32,87956041	0.0000	0.00%
ALLOTHER	0	0			↑ step 4			0.00%
TOTAL	0	0						

Wage Data from Cost Report

Wages (From S-3, Parts II and III)	\$0	(These are inflated wages, from cell B97 from AHW calculator).	THESE 3 LINES, 24, 25, 26, MUST ALSO BE LINKED TO THE 2532-10 SPREADSHEET!
Hours (From S-3, Parts II and III)	0	(Revised hours from cell B98 from AHW calculator).	
Unadjusted AHW	0	(Should match AHW in cell B100 from AHW calculator).	

Nurse Occ Mix Wages	\$0	step 7
All Other Unadjusted Occ Mix Wages	\$0	step 7
Total Occ Mix Wages	\$0	step 8
Final Occ Mix Adjusted AHW	0.00000000	step 8



Medicare Reimbursement Experts Since 1990

OMA Calculator

Spreadsheet for Final FY 2016 Calculation of Provider Occupational Mix AHW

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Fields in PINK are filled in by the provider from the provider's occupational mix spreadsheet

Provider Information				step 1	step 2	step 3	step 5	step 6	in step 7
Provider Number	MAC #	Provider Occ Mix Hours	Provider Occ Mix Salaries	Provider % by Subcategory	FY 2015 Final National AHWs by Subcategory	Provider Adjusted AHW	Final FY 2015 National Adjusted Nurse AHW	Nurse Occ Mix Adjustment Factor	Provider % by Total
		0	0	0.00%	\$38,823,922.02	0			
		0	0	0.00%	\$2,767,361.75	0			
		0	0	0.00%	\$15,955,866.28	0			
		0	0	0.00%	\$18,006,270.97	0			
Total Nurse Hours and Salaries		0	0			0	\$32,875,956.041	0.0000	0.00%
		0	0						
ALLOTHER		0	0			step 4			0.00%
TOTAL		0	0						

Wage Data from Cost Report

Wages (From S-3, Parts II and III)	\$0	(These are inflated wages, from cell B97 from AHW calculator).	THESE 3 LINES, 24, 25, 26, MUST ALSO BE LINKED TO THE 2592-10 SPREADSHEET!!
Hours (From S-3, Parts II and III)	0	(Revised hours from cell B98 from AHW calculator).	
Unadjusted AHW	0	(Should match AHW in cell B100 from AHW calculator).	
Nurse Occ Mix Wages	\$0	step 7	
All Other Unadjusted Occ Mix Wages	\$0	step 7	
Total Occ Mix Wages	\$0	step 8	
Final Occ Mix Adjusted AHW	0.0000000	step 8	



Medicare Reimbursement Experts Since 1990

OMA Calculator

Spreadsheet for Final FY 2016 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filing Out the Occupational Mix Calculator

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Fields in PINK are filled in by the provider from the provider's occupational mix spreadsheet

Provider Information								
Provider Number								
MAC #								
Occ Mix Beg in Date								
Occ Mix End Date								
			step 1	step 2	step 3	step 5	step 6	in step 7
	Provider Occ Mix Hours	Provider Occ Mix Salaries	Provider % by Subcategory	FY 2015 Final National AHWs by Subcategory	Provider Adjusted AHW	Final FY 2015 National Adjusted Nurse AHW	Nurse Occ Mix Adjustment Factor	Provider % by Total
RN	0	0	0.00%	\$38,823902202	0			
LPN and Surgical Technicians	0	0	0.00%	\$22,767361175	0			
National Nurse Aides, Orderlies, and Attendants	0	0	0.00%	\$15,955866208	0			
Medical Assistants	0	0	0.00%	\$18,06207097	0			
Total Nurse Hours and Salaries	0	0			0	\$32,879,560.1	0.0000	0.00%
ALLOTHER	0	0			step 4			0.00%
TOTAL	0	0						

Wage Data from Cost Report

Wages (From S-3, Parts II and III)	\$0	(These are inflated wages, from cell B97 from AHW calculator).	THESE 3 LINES, 24, 25, 26, MUST ALSO BE LINKED TO THE 2532-10 SPREADSHEET!!
Hours (From S-3, Parts I and III)	0	(Revised hours from cell B98 from AHW calculator).	
Unadjusted AHW	0	(Should match AHW in cell B100 from AHW calculator).	

Nurse Occ Mix Wages	\$0	step 7
All Other Unadjusted Occ Mix Wages	\$0	step 7
Total Occ Mix Wages	\$0	step 8
Final Occ Mix Adjusted AHW	0.0000000	step 8

Fields in GREEN are filled in from IPPS wage index Web Site or Federal Registers



Medicare Reimbursement Experts Since 1990

OMA Calculator

Spreadsheet for Final FY 2016 Calculation of Provider Occupational Mix AHW

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Provider Information	
Provider Number	
MAC #	
Occ Mix Begin Date	
Occ Mix End Date	

	step 1	step 2	step 3	step 5	step 6	in step 7		
	Provider Occ Mix Hours	Provider Occ Mix Salaries	Provider % by Subcategory	FY 2015 Final National AHWs by Subcategory	Provider Adjusted AHW	Final FY 2015 National Adjusted Nurse AHW	Nurse Occ Mix Adjustment Factor	Provider % by Total
RN	0	0	0.00%	\$38,823,902,203	0			
LP	0	0	0.00%	\$22,767,361,175	0			
Na	0	0	0.00%	\$15,955,866,203	0			
Me	0	0	0.00%	\$18,006,207,097	0			
es	0	0				\$32,875,956,041	0.0000	0.00%
AL	0	0			step 4			0.00%
TO	0	0						

Fields in **BOLD** and/or **BLUE** are calculated fields--DO NOT ENTER any information here

Wage Data from Cost Report		
Wages (From S-3, Parts II and III)	\$0	(These are inflated wages, from cell B97 from AHW calculator).
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Unadjusted AHW	0	(Should match AHW in cell B100 from AHW calculator).
Nurse Occ Mix Wages	\$0	step 7
All Other Unadjusted Occ Mix Wages	\$0	step 7
Total Occ Mix Wages	\$0	step 8
Final Occ Mix Adjusted AHW	0.00000000	step 8

THESE 3 LINES, 24, 25, 26, MUST ALSO BE LINKED TO THE 2532-10 SPREADSHEET!!

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers



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Occupational Mix Adjustment Factor

- Calculate Impact on AHW
 - Step 1 - Determine % of each subcategory by hours
 - Step 2 - Multiply each subcategory by National AHW
 - Step 3 - Determines AHW by subcategory
 - Step 4 - Sum for Hospital Nursing AHW
 - Step 5 - Compare Hospital Nursing AHW to National
 - Step 6 - Calculates Nurse Occ Mix factor
 - Step 7 - Multiply this by Nursing % to total
 - Step 8 - Add to "All Other" %



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Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

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Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Register

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Provider Information	
Provider Number	
FI#	
Occ Mix Begin Date	1/1/2009
Occ Mix End Date	12/31/2009

			step 1	step 2	step 3	step 5	step 6	in step 7
	Provider Occ Mix Hours	Provider Occ Mix Salaries	Provider % by Subcategory	FY 2011 Final National AHWs by Subcategory	Provider Adjusted AHW	Final FY 2011 National Adjusted Nurse AHW	Nurse Occ Mix Adjustment Factor	Provider % by Total
RN	2,500.000	74,000.000	67.92%	\$37,435,806.624	25,425,025			
LPN and Surgical Technicians	169.000	3,200.000	4.59%	\$21,779,745.932	0,999,934			
National Nurse Aides, Orderlies, and Attendants	1,000.000	14,000.000	27.17%	\$15,334,363.984	4,165,847			
Medical Assistants	12.000	150.000	0.33%	\$17,232,523.603	0,056,177			
Total Nurse Hours and Salaries	3,681.000	91,350.000			30,646,956	\$31,852,742.84	1.0393	47.74%
ALLOTHER	4,500.000	100,000.000						52.26%
TOTAL	8,181.000	191,350.000						

Wage Data from Cost Report

Wages (From S-3, Parts II and III)	\$146,433,333	These are inflated wages, from cell B99 from AHW calculator).
Hours (From S-3, Parts II and III)	3,125,000	Revised hours from cell B100 from AHW calculator).
Unadjusted AHW	46,858,667.8	Should match AHW in cell B103 from AHW calculator).

Nurse Occ Mix Wages	\$72,656,963	step 7
All Other Unadjusted Occ Mix Wages	\$76,526,433	step 7
Total Occ Mix Wages	\$149,183,396	step 8
Final Occ Mix Adjusted AHW	47,738,687.3	step 8

Occupational Mix Adjustment 1.9%



Medicare Reimbursement Experts Since 1990

Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

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Provider Information	
Provider Number	
FI#	
Occ Mix Begin Date	1/1/2009
Occ Mix End Date	12/31/2009

	Provider Occ Mix Hours	Provider Occ Mix Salaries	Provider % by Subcategory	FY 2011 Final National AHWs by Subcategory	Provider Adjusted AHW	Final Adj
RN	2,500,000	74,000,000	67.92%	\$37,435,806.25	25,425,025	
LPN and Surgical Technicians	169,000	3,200,000	4.59%	\$21,779,745.92	0,999,934	
National Nurse Aides, Orderlies, and Attendants	1,000,000	14,000,000	27.17%	\$15,334,363.98	4,165,817	
Medical Assistants	12,000	150,000	0.33%	\$17,232,523.60	0,056,177	
Total Nurse Hours and Salaries	3,681,000	91,350,000			30,646,956	
ALLOTHER	4,500,000	100,000,000				step 4
TOTAL	8,181,000	191,350,000				

Wage Data from Cost Report		
Wages (From S-3, Parts II and III)	\$146,433,333	These are inflated wages, from cell B99 from AHW calculator).
Hours (From S-3, Parts II and III)	3,125,000	Revised hours from cell B100 from AHW calculator).
Unadjusted AHW	46,858,678	Should match AHW in cell B103 from AHW calculator).

Nurse Occ Mix Wages	\$72,656,956	step 7
All Other Unadjusted Occ Mix Wages	\$76,526,434	step 7
Total Occ Mix Wages	\$149,183,390	step 8
Final Occ Mix Adjusted AHW	47,738,673	step 8

step 1	
Provider % by Subcategory	
	67.92%
	4.59%
	27.17%
	0.33%

Occupational Mix Adjustment 1.9%



Medicare Reimbursement Experts Since 1990

Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

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Provider Information	
Provider Number	
FI#	
Occ Mix Begin Date	1/1/2009
Occ Mix End Date	12/31/2009

			step 1	step 2	step 3	
	Provider Occ Mix Hours	Provider Occ Mix Salaries	Provider % by Subcategory	FY 2011 Final National AHWs by Subcategory	Provider Adjusted AHW	Final AHW
RN	2,500.000	74,000.000	67.92%	\$37,435,806,262	25,425,025	
LPN and Surgical Technicians	169.000	3,200.000	4.59%	\$21,779,745,192	0,999,934	
National Nurse Aides, Orderlies, and Attendants	1,000.000	14,000.000	27.17%	\$15,334,363,984	4,165,817	
Medical Assistants	12.000	150.000	0.33%	\$17,232,523,608	0,056,177	
Total Nurse Hours and Salaries	3,681.000	91,350.000			30,646,956	
ALLOTHER	4,500.000	100,000.000				step 4
TOTAL	8,181.000	191,350.000				

step 2

FY 2011 Final National AHWs by Subcategory

	\$37,435,806,262
	\$21,779,745,192
	\$15,334,363,984
	\$17,232,523,608

Wage Data from Cost Report		
Wages (From S-3, Parts II and III)	\$146,433,333	These are inflated wages, from cell B99 from AHW calculator).
Hours (From S-3, Parts II and III)	3,125,000	Revised hours from cell B100 from AHW calculator).
Unadjusted AHW	46,858,678	Should match AHW in cell B103 from AHW calculator).

Nurse Occ Mix Wages	\$72,656,963	step 7
All Other Unadjusted Occ Mix Wages	\$76,526,433	step 7
Total Occ Mix Wages	\$149,183,396	step 8
Final Occ Mix Adjusted AHW	47,738,673	step 8

Occupational Mix Adjustment 1.9%



Medicare Reimbursement Experts Since 1990

Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

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Provider Information	
Provider Number	
El#	
Occ Mix Begin Date	1/1/2008
Occ Mix End Date	12/31/2008

			step 1	step 2	step 3	
	Provider Occ Mix Hours	Provider Occ Mix Salaries	Provider % by Subcategory	FY 2011 Final National AHWs by Subcategory	Provider Adjusted AHW	Final Adjusted AHW
RN	2,500,000	74,000,000	67.92%	\$37,435,808.65	25.425025	
LPN and Surgical Technicians	169,000	3,200,000	4.59%	\$21,779,745.93	0.9999394	
National Nurse Aides, Orderlies, and Attendants	1,000,000	14,000,000	27.17%	\$15,334,363.98	4.1658147	
Medical Assistants	12,000	150,000	0.33%	\$17,232,523.68	0.0561777	
Total Nurse Hours and Salaries	3,681,000	91,350,000			30.646956	
ALLOTHER	4,500,000	100,000,000				
TOTAL	8,181,000	191,350,000				

step 3
Provider Adjusted AHW
25.425025
0.9999394
4.1658147
0.0561777
30.646956
step 4

Wage Data from Cost Report		
Wages (From S-3, Parts II and III)	\$146,433,333	These are inflated wages, from cell B99 from AHW calculator).
Hours (From S-3, Parts II and III)	3,125,000	Revised hours from cell B100 from AHW calculator).
Unadjusted AHW	46,858,678	Should match AHW in cell B103 from AHW calculator).

Nurse Occ Mix Wages	\$72,656,961	step 7
All Other Unadjusted Occ Mix Wages	\$76,526,439	step 7
Total Occ Mix Wages	\$149,183,400	step 8
Final Occ Mix Adjusted AHW	47,738,687.33	step 8

Occupational Mix Adjustment 1.9%



Medicare Reimbursement Experts Since 1990

Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

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Provider Information	
Provider Number	
FI#	
Occ Mix Begin Date	1/1/2009
Occ Mix End Date	12/31/2009

	Provider Occ Mix Hours	Pr M
RN	2,500.000	
LPN and Surgical Technicians	169.000	
National Nurse Aides, Orderlies, and Attendants	1,000.000	
Medical Assistants	12.000	
Total Nurse Hours and Salaries	3,681.000	
ALLOTHER	4,500.000	
TOTAL	8,181.000	

Wages (From S-3, Parts II and III)	\$146,433.33
Hours (From S-3, Parts II and III)	3,125.000
Unadjusted AHW	46,858,678
Nurse Occ Mix Wages	\$72,656.96
All Other Unadjusted Occ Mix Wages	\$76,526.43
Total Occ Mix Wages	\$149,183.39
Final Occ Mix Adjusted AHW	47,738,673

step 5

Final FY 2011 National Adjusted Nurse AHW

\$31.852574284

step 3	step 5	step 6	in step 7
Provider Adjusted AHW	Final FY 2011 National Adjusted Nurse AHW	Nurse Occ Mix Adjustment Factor	Provider % by Total
125025			
399394			
658147			
661777			
6956	\$31.852574284	1.0393	47.74%
step 4			52.26%

Occupational Mix Adjustment 1.9%



Medicare Reimbursement Experts Since 1990

Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

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Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Register

Fields in **BLUE** and **Blue** are calculated fields- DO NOT ENTER any information here

Provider Information	
Provider Number	
FI#	
Occ Mix Begin Date	1/1/2009
Occ Mix End Date	12/31/2009

	Provider Occ Mix Hours
RN	2,500.00
LPN and Surgical Technicians	169.00
National Nurse Aides, Orderlies, and Attendants	1,000.00
Medical Assistants	12.00
Total Nurse Hours and Salaries	3,681.00
ALLOTHER	4,500.00
TOTAL	8,181.00

Wages (From S-3, Parts II and III)	\$146,433.33
Hours (From S-3, Parts II and III)	3,125.00
Unadjusted AHW	46,858,678
Nurse Occ Mix Wages	\$72,656.96
All Other Unadjusted Occ Mix Wages	\$76,526.43
Total Occ Mix Wages	\$149,183.39
Final Occ Mix Adjusted AHW	47,738,673

step 6	
Nurse Occ Mix Adjustment Factor	
1.0393	

step 2	step 3	step 5	step 6	in step 7
2011 Final National AHWs by category	Provider Adjusted AHW	Final FY 2011 National Adjusted Nurse AHW	Nurse Occ Mix Adjustment Factor	Provider % by Total
37,435,806.25	25,425,025			
21,779,745.92	0,999,934			
15,334,363.98	4,165,817			
17,232,523.03	0,056,177			
	30,646,956	\$31,852,728.4	1.0393	47.74%
	step 4			52.26%

99 from AHW calculator).
 AHW calculator).
 n AHW calculator).

Occupational Mix Adjustment 1.9%



Medicare Reimbursement Experts Since 1990

Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Register

Fields in **BOLD and Blue** are calculate fields- DO NOT ENTER any information here

Provider Information	
Provider Number	
FI#	
Occ Mix Begin Date	1/1/2009
Occ Mix End Date	12/31/2009

	Provider Occ Mix Hours	Pro Mix
RN	2,500,000	2
LPN and Surgical Technicians	169,000	2
National Nurse Aides, Orderlies, and Attendants	1,000,000	2
Medical Assistants	12,000	2
Total Nurse Hours and Salaries	3,681,000	9
ALL OTHER	4,500,000	10
TOTAL	8,181,000	19

	Wages	The
Wages (From S-3, Parts II and III)	\$146,433,333	Rev
Hours (From S-3, Parts II and III)	3,125,000	Sho
Unadjusted AHW	46,858,678	
Nurse Occ Mix Wages	\$72,656,963	step
All Other Unadjusted Occ Mix Wages	\$76,526,433	step
Total Occ Mix Wages	\$149,183,396	step
Final Occ Mix Adjusted AHW	47,738,673	step

Occupational Mix Adjustment 1.9%

in step 7

Provider % by Total

47.74%

52.26%

step 2	step 3	step 5	step 6	in step 7
2011 Final AHWs by category	Provider Adjusted AHW	Final FY 2011 National Adjusted Nurse AHW	Nurse Occ Mix Adjustment Factor	Provider % by Total
7,435,806,263	25,425,025			
1,779,745,932	0,999,934			
5,334,363,984	4,165,817			
7,232,523,603	0,056,177			
	30,646,956	\$31,852,748.4	1.0393	47.74%
	step 4			52.26%

9 from AHW calculator).
 W calculator).
 AHW calculator).



Medicare Reimbursement Experts Since 1990

Positive Occupational Mix Adjustment

Spreadsheet for Final FY 2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Register

Fields in **BOLD and/or Blue** are calculated fields- DO NOT ENTER any information here

Provider Information	
Provider Number	
FI#	
Occ Mix Begin Date	1/1/2009
Occ Mix End Date	12/31/2009

			step 1	step 2	step 3	step 5	step 6	in step 7
	Provider Occ Mix Hours	Provider Occ Mix Salaries	Provider % by Subcategory	FY 2011 Final National AHWs by Subcategory	Provider Adjusted AHW	Final FY 2011 National Adjusted Nurse AHW	Nurse Occ Mix Adjustment Factor	Provider % by Total
RN	2,500.000	74,000.000	67.92%	\$37,435,806.62	25,425,025			
LPN and Surgical Technicians	169.000	3,200.000	4.59%	\$21,779,745.92	0,999,934			
National Nurse Aides, Orderlies, and Attendants	1,000.000	14,000.000	27.17%	\$15,334,639.84	4,165,847			
Medical Assistants	12.000	150.000	0.33%	\$17,232,523.60	0,056,177			
Total Nurse Hours and Salaries	3,681.000	91,350.000			30,646,956	\$31,852,742.84	1.0393	47.74%
ALLOTTHER	4,500.000	100,000.000						52.26%
TOTAL	8,181.000	191,350.000						

Wage Data from Cost Report	
Wages (From S-3, Parts II and III)	\$146,433,333
Hours (From S-3, Parts II and III)	3,125,000
Unadjusted AHW	46,858,678

Nurse Occ Mix Wages	\$72,656,961	step 7
All Other Unadjusted Occ Mix Wages	\$76,526,437	step 7
Total Occ Mix Wages	\$149,183,398	step 8
Final Occ Mix Adjusted AHW	47,738,673	step 8

Occupational Mix Adjustment

1.9%

47.73868738 step 8



Medicare Reimbursement Experts Since 1990

Negative Occupational Mix Adjustment

Spreadsheet for Final FY2013 Calculation of Provider Occupational Mix AHW

You Must Fill Out the AHW Calculator Tab Before Filling Out the Occupational Mix Calculator

Fields in **PINK** are filled in by the provider from the provider's occupational mix spreadsheet

Fields in **GREEN** are filled in from IPPS wage index Web Site or Federal Registers

Fields in **BOLD and/or Blue** are calculate fields-- DO NOT ENTER any information here

Provider Information	
Provider Number	
FI#	
Occ Mix Begin Date	1/1/2009
Occ Mix End Date	12/31/2009

	Provider Occ Mix Hours	Provider Occ Mix Salaries	Provider % by Subcategory	step 1	step 2	step 3	step 5	step 6	in step 7
					FY2011 Final National AHWs by Subcategory	Provider Adjusted AHW	Final FY2011 National Adjusted Nurse AHW	Nurse Occ Mix Adjustment Factor	Provider % by Total
RN	1,000,000	35,000,000	84.46%		\$37,435,802.62	31.6180			
LPN and Surgical Technicians	170,000	3,000,000	14.36%		\$21,779,451.92	3.1271594			
National Nurse Aides, Orderlies, and Attendants	14,000	200,000	1.18%		\$15,334,639.84	0.1813385			
Medical Assistants			0.00%		\$17,235,236.00				
Total Nurse Hours and Salaries	1,184,000	38,200,000				34.926557	\$31,852,742.84	0.9120	32.59%
ALLOTHR	3,800,000	79,000,000				step 4			67.41%
TOTAL	4,984,000	117,200,000							

Wage Data from Cost Report

Wages (From S-3, Parts II and III)	\$146,433,337	These are inflated wages, from cell B99 from AHW calculator).
Hours (From S-3, Parts II and III)	3,125,000	Revised hours from cell B100 from AHW calculator).
Unadjusted AHW	46,858,678	Should match AHW in cell B103 from AHW calculator).

Nurse Occ Mix Wages	\$43,527,574	step 7
All Other Unadjusted Occ Mix Wages	\$98,705,063	step 7
Total Occ Mix Wages	\$142,232,637	step 8
Final Occ Mix Adjusted AHW	45,514,446	step 8

-2.9%



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How Significant an Impact on the Wage Index?

- Largest Impact typically occurs in CBSAs where there are few hospitals:
- San Luis Obispo-Paso Robles-Arroyo Grand, CA (42020) – **6.40%** decrease
- Lebanon, PA (30140) – 14.20% increase



Medicare Reimbursement Experts Since 1990

Impact on Wage Index for Arkansas CBSA's

CBSA	NAME	WI without OCC MIX	OCC MIX Adjustment	FY 2017 WI
04	ARKANSAS-RURAL	0.7211	0.0155	0.7366
22220	Fayetteville-Springdale-Rogers, AR-MO	0.8396	0.0235	0.8631
22900	Fort Smith, AR-OK	0.7280	0.0163	0.7443
26300	Hot Springs, AR	0.8393	0.0210	0.8603
27860	Jonesboro, AR	0.7803	0.0035	0.7838
30780	Little Rock-N. Little Rock-Conway, AR	0.8030	0.0011	0.8041
32820	Memphis, TN-MS-AR	0.8721	(0.0035)	0.8686
38220	Pine Bluff, AR	0.7867	0.0170	0.8037
45500	Texarkana, TX-AR	0.7712	(0.0113)	0.7599



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Impact on Wage Index for Louisiana CBSA's

CBSA	NAME	WI without OCC MIX	OCC MIX Adjustment	FY 2017 WI
19	LOUISIANA-RURAL	0.7091	0.0124	0.7215
10780	Alexandria, LA	0.7909	(0.0036)	0.7873
12940	Baton Rouge, LA	0.7910	(0.0001)	0.7909
25220	Hammond, LA	0.8559	(0.0117)	0.8442
26380	Houma-Thibodaux, LA	0.7215	0.0050	0.7215*
29180	Lafayette, LA	0.7751	(0.0055)	0.7696
29340	Lake Charles, LA	0.7482	0.0119	0.7601
33740	Monroe, LA	0.7645	0.0030	0.7675
35380	New Orleans-Metairie, LA	0.8136	0.0055	0.8191
43340	Shreveport-Bossier City, LA	0.9204	(0.0012)	0.9192

* Receiving rural floor



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Impact on Wage Index for Mississippi CBSA's

CBSA	NAME	WI without OCC MIX	OCC MIX Adjustment	FY 2017 WI
25	MISSISSIPPI-RURAL	0.7440	(0.0044)	0.7396
25060	Gulfport-Biloxi-Pascagoula, MS	0.7573	(0.0020)	0.7553
25620	Hattiesburg, MS	0.7853	0.0087	0.7940
27140	Jackson, MS	0.7838	(0.0124)	0.7714
32820	Memphis, TN-MS-AR	0.8721	(0.0035)	0.8686



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Impact on Wage Index for Oklahoma CBSA's

CBSA	NAME	WI without OCC MIX	OCC MIX Adjustment	FY 2017 WI
37	OKLAHOMA-RURAL	0.7781	0.0043	0.7824
21420	Enid, OK	0.8603	(0.0044)	0.8559
22900	Fort Smith, AR-OK	0.7824	0.0163	0.7824*
30020	Lawton, OK	0.7985	0.0022	0.8007
36420	Oklahoma City, OK	0.9010	(0.0049)	0.8961
46140	Tulsa, OK	0.7919	0.0069	0.7988

* Receiving rural floor



Medicare Reimbursement Experts Since 1990

Impact on Wage Index for Texas CBSA's

CBSA	NAME	WI without OCC MIX	OCC MIX Adjustment	FY 2017 WI
45	TEXAS-RURAL	0.7722	0.0045	0.7767
10180	Abilene, TX	0.8143	0.0259	0.8402
11100	Amarillo, TX	0.8151	(0.0203)	0.7948
12420	Austin-Round Rock, TX	0.9597	(0.0076)	0.9521
13140	Beaumont-Port Arthur, TX	0.8321	(0.0250)	0.8071
15180	Brownsville-Harlingen, TX	0.8162	0.0122	0.8284
17780	College Station-Bryan, TX	0.8859	(0.0079)	0.8780
18580	Corpus Christi, TX	0.8507	(0.0139)	0.8368
19124	Dallas-Plano-Irving, TX	0.9811	(0.0017)	0.9794



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Impact on Wage Index for Texas CBSA's

CBSA	NAME	WI without OCC MIX	OCC MIX Adjustment	FY 2017 WI
21340	El Paso, TX	0.7915	0.0007	0.7922
23104	Fort Worth-Arlington, TX	0.9407	(0.0089)	0.9318
26420	Houston-The Woodlands-Sugar Land, TX	0.9610	0.0043	0.9653
28660	Killeen-Temple, TX	0.9071	0.0342	0.9413
29700	Laredo, TX	0.7767	0.0030	0.7767*
30980	Longview, TX	0.8135	(0.0063)	0.8072
31180	Lubbock, TX	0.8511	0.0044	0.8555
32580	McAllen-Edinburg-Mission, TX	0.8013	0.0013	0.8026
33260	Midland, TX	0.9050	(0.0137)	0.8913

* Receiving rural floor



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Impact on Wage Index for Texas CBSA's

CBSA	NAME	WI without OCC MIX	OCC MIX Adjustment	FY 2017 WI
36220	Odessa, TX	0.9077	(0.0131)	0.8946
41660	San Angelo, TX	0.8388	0.0259	0.8647
41700	San Antonio-New Braunfels, TX	0.8528	0.0089	0.8617
43300	Sherman-Denison, TX	0.8902	(0.0230)	0.8672
45500	Texarkana, TX-AR	0.7767	(0.0113)	0.7767*
46340	Tyler, TX	0.8307	(0.0015)	0.8292
47020	Victoria, TX	0.8455	(0.0291)	0.8164
47380	Waco, TX	0.8188	0.0129	0.8317
48660	Wichita Falls, TX	0.8817	0.0079	0.8896

* Receiving rural floor



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Strategy for Optimization

- Minimize the RN percentage and maximize the other three components of the first category
- Your hospital's percentage of RN hours to total nursing hours will be compared to the national average
- If you're above the national average, you get a negative adjustment; below national figures gives a positive adjustment
- The national average in the last survey was 71.5%.



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Job Titles & Patient Care

- As you review job titles, ask yourself;

"Are they involved in patient care?"



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What Does the RN Do?

- When categorizing RNs, include only those involved with patient care
- Those performing solely administration functions should be included in "ALL OTHER" category
- Also look at RNs on floors that may be solely administrative or educational



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Nursing Occupation Categories

- The categories of LPN's, nurse aides, orderlies, attendants and medical assistants need to be scrutinized so that they are included in an effort to dilute the RN impact
- Other departments should be investigated to see if they have any employees who actually do the work of LPN's, aides, orderlies and attendants
- Examples include patient transport and non-excluded clinics



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Where to Assign the Data

- Director of Nursing or anyone handling those functions should be in the "All Other" category
- Transportation for surgery
 - Include in LPN's and Surgical Technologists per the instructions
- Advanced Practice Nurses
 - Exclude if billed under Part B
 - Instructions say to include in "All Other" if included on S-3



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What's Next?

- Plan ahead – Data required is this calendar year
 - Who is preparing the form?
- Collecting your data
 - Pay Periods ending between January 1, 2016 – December 31, 2016
 - Contract labor hours
 - Home office
 - Related organization



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Questions

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