



**Association of
American Medical Colleges**
2450 N Street, N.W., Washington, D.C. 20037-1127
T 202 828 0400 F 202 828 1125
www.aamc.org

November 2, 2009

Via Electronic Submission

Ms. Michelle Shortt,
Director, Regulations Development Group
Centers for Medicare and Medicaid Services
Office of Strategic Operations and Regulatory Affairs
Division of Regulations Development
Room C4—26—05
7500 Security Boulevard
Baltimore, MD 21244-1850

Attention: CMS – 10079

Dear Ms. Shortt:

The Association of American Medical Colleges (AAMC) welcomes this opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS or the Agency) notice entitled "*Hospital Wage Index Occupational Mix Survey and Supporting Regulations in 42 CFR, Section 412.64*" 74 Fed. Reg. 45,860 (September 4, 2009). The AAMC is a not-for-profit association representing the nation's 131 medical schools, nearly 400 major teaching hospitals and health systems and nearly 90 academic and scientific societies. Through these institutions and organizations, the AAMC represents 125,000 faculty members, 75,000 medical students and 106,000 resident physicians.

As mandated by law, an occupational mix adjustment is applied to the hospital wage index with the result that each hospital's adjusted wage index reflects only geographic differences in the prices hospitals pay for labor and not differences in the mix of their employees. Data on the occupational mix of employees for each hospital is required to be collected every three years.

CMS proposes to collect hospital-specific wages and hours data for calendar year 2010 (that is, payroll periods beginning on or after January 1, 2010 and on or before December 31, 2010). The data from this survey will be used to adjust the wage index in fiscal years 2013 through 2015.

The AAMC supports the proposal that CMS use a calendar year rather than the previous July 1 to June 30 collection period to obtain occupational mix data. We also support the proposal to give hospitals six months to complete the survey, from January 1, 2011 to July 1, 2011 rather than two months as in the previous collection period. The additional time for the completion of the survey would ease hospitals' administrative burden and result in more accurate data and a higher response rate to the survey.

However, we would like CMS to clarify the discrepancy in the definition of the collection period in the proposed survey. For example, while page 1 of the survey instructions indicates that the collection period encompasses "pay periods beginning on or after January 1, 2010 and on or before December 31, 2010," the survey form indicates that the collection period encompasses "pay periods ending between 01/01/2010 – 12/31/2010." Since a collection period based on ending dates would ensure that hospitals are able to submit a full year of data, we recommend that CMS use the definition on the survey form to determine the collection period and modify the definition on page 1 to be consistent with that on the survey form.

CMS also proposes that hospitals that terminated participation in the Medicare program before July 1, 2009, should not be required to complete the survey. However, since the proposed collection period encompasses pay periods during calendar year 2010, we recommend that CMS exclude hospitals that terminate participation in the Medicare program before the beginning of the collection period, that is, January 1, 2010, from completing the survey. CMS may also want to consider only including hospitals that are participants in the Medicare program for the entire year; that is, exempting hospitals that terminate the program at any time during 2010.

On page 4 of the proposed survey, CMS lists those cost report cost centers for which nursing personnel must be included in the appropriate nursing category. These cost centers correspond to the cost report lines found in the current cost report (Form 2552-96). However, while occupational mix data are being collected, many hospitals will be transitioning to the new cost report (Form 2552-10). We concur with the American Hospital Association (AHA)'s recommendation that CMS include the cost centers for both the current cost report and the forthcoming cost report in the cost center listing on page 4. Specifically, the cost center descriptions would be modified as follows:

**COST CENTER DESCRIPTIONS
COST CENTERS**

Lines for 2552-96	Description	Lines for 2552-10
14	Nursing Administration	13
25	Adults and Pediatrics (General Routine Care)	30
26	Intensive Care Unit	31

27	Coronary Care Unit	32
28	Burn Intensive Care Unit	33
29	Surgical Intensive Care Unit	34
30	Other Special Care (specify)	35
33	Nursery	43
37	Operating Room	50
38	Recovery Room	51
39	Delivery Room and Labor Room	52
53	Electrocardiology	66
57	Renal Dialysis	71
58	Ambulatory Surgical Center (Non-Distinct Part)	72
59	Other Ancillary	73
60	Clinics	90
61	Emergency	91
62	Observation Beds	92

Note: Subscripted cost centers that would normally fall into one of these cost centers should be included on the survey.

We also agree with the AHA that CMS may want to consider adding two additional categories to the survey for future collection periods: one for “unit secretaries” and one for “all other nursing.”

- 1) Unit Secretaries. Although they do not provide clinical care, unit secretaries perform clerical duties that free up nursing staff to spend more time on clinical duties. Furthermore, they are paid significantly less than registered nurses (RNs) and enable the hospital to operate more efficiently, which in turn lowers the hospital’s average hourly rate.
- 2) All Other Nursing. This category should include all nursing employees such as emergency medical technician, supervisor administrative, instrument technician, and nurses working in the Radiology-Diagnostic cost center (currently on line 41) who do not fit into the cost centers listed in the current survey. The addition of this category would allow CMS to determine the percentage of the nursing employees who are not included in the survey categories and help the Agency identify additional categories that should be included in the survey.

We appreciate CMS’s efforts to design an occupational mix survey instrument that would lessen the administrative burden on the teaching hospital community, while ensuring that the data being collected are as accurate as possible.

Director Shortt
November 3, 2009
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If you have any questions concerning these comments, please contact me at 202-862-6140 or at kfisher@aamc.org or Diana Mayes, at dmayes@aamc.org, 202-828-0498.

Sincerely,

A handwritten signature in black ink that reads "Karen A. Fisher". The signature is written in a cursive style with a large initial "K".

Karen Fisher, JD
Senior Director

cc: Diana Mayes, AAMC