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December 12, 2005

William Parham
Centers for Medicare & Medicaid Services
Division of Regulations Development
Office of Strategic Operations and Regulatory Affairs
Room C4-26-05
7500 Security Boulevard
Baltimore, MD 21244-1850

RE: Form Number: CMS-10079; Hospital Wage Index — Occupational Mix Survey
and Supporting Regulations

Dear Mr. Parham:

The Association of American Medical Colleges (AAMC) welcomes this opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS or the Agency) revised occupational mix survey, as published on the CMS web site and referenced in the October 14, 2005 *Federal Register*. (See Agency Information Collection Activities: Proposed Collection; Comment Request. 70 Fed. Reg. 60092.) The AAMC represents approximately 300 major teaching hospitals and health systems that will be completing the survey.

The purpose of the survey is to collect hospitals' occupational wage data in order to calculate an "occupational mix adjustment" that is applied to the inpatient hospital wage index. Pursuant to statute, these data are collected every three years. The last survey was conducted in 2003; the data collected in the 2006 survey are currently scheduled to be incorporated into the federal fiscal year 2008 hospital wage index.

Data Submission Deadline

While we appreciate a number of changes that CMS has made to the survey for 2006 (see below), we strenuously object to the July 31 deadline by which hospitals must submit their data. CMS is requesting that hospitals provide wage data for a six-month period, from January 1, through June 30, 2006. A thirty day submission period is unreasonable from an administrative standpoint, particularly for the many teaching hospitals for which June 30 is their fiscal year end. Moreover, many of our system members are responsible for completing the survey for multiple hospitals, which further strains their ability to meet

the July 31 date. Equally important, this time frame is not workable because of the requirement that hospitals provide information on contract labor. The data associated with these workers will not be available until the middle of the month, if not later, making a July 31 deadline nearly impossible.

We are in complete concurrence with CMS on the imperative that the survey data be as accurate as possible to ensure an appropriate occupational mix adjustment. This goal, however, is highly unlikely to be achieved with such a short time frame. **We urge the Agency to allow for a 90-day submission period**, to permit hospitals to complete the survey and check it for accuracy.

Data Collection Period

CMS proposes that hospitals collect occupational mix data for a six-month period, from January 1 through June 30, 2006. At the outset, we are concerned about this time frame given that the comment period ends December 13 and a final survey is not likely to be published until after the start of the proposed collection period.

In terms of the time frame itself, we would like to confirm that hospitals have the flexibility to provide data that corresponds to their payroll time frames, so long as those time frames overlap the January to June period by the maximum extent possible.

For example, a number of hospitals have bi-weekly pay periods. These hospitals would provide payroll data beginning on January 6 and ending July 6 (13 payroll periods). This flexibility is important because it is the payroll system that has the occupational detail that is required by the survey instrument. Moreover, it also would allow for the data to be submitted more quickly than if hospitals are required to adhere strictly to a January 1 through June 30 time period.

Occupational Categories and Wage Data

We appreciate and support the reduction of the number of occupational categories for which hospitals must provide data, as well as the Agency's decision to begin collecting wage data from hospitals, rather than relying on external data sources. Hopefully, these changes will improve the accuracy of the survey results while reducing ambiguities associated with occupational definitions.

At the same time, however, we agree with comments by the American Hospital Association (AHA) urging elimination of the functional subcategories under the registered nurse and licensed practical nurse categories.

Fiscal Year Time Period Associated with the 2006 Survey Data

We strongly agree with the AHA's comment to refrain from using the 2006 survey data until the FY 2009 inpatient PPS rulemaking. There simply is not sufficient time to thoroughly review and correct data anomalies prior to the 2008 rulemaking.

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If you have questions concerning these comments, please feel free to call me or Karen Fisher, Senior Associate Vice President, Health Care Affairs. We both may be reached at (202) 828-0490.

Sincerely,



Robert Dickler
Senior Vice President
Health Care Affairs

cc: Karen Fisher