



Rural Link

Up-to-date information for Rural Health Hospitals

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mcausley@TheRybarGroup.com

Rural Link Tip

The 2010 OMS form and instructions can be found on the CMS website:

www.cms.gov/acuteinpatientpps/wifn

The Rybar Group

3150 Owen Road
Fenton, MI 48430

810-750-6822

810-750-6733 fax

www.TheRybarGroup.com



2010 Medicare Hospital Wage Index Occupational Mix Survey

The Centers for Medicare & Medicaid Services (CMS) is required to collect data every three years on the occupational mix of employees for all short-term acute care hospitals in order to construct an occupational mix adjustment to the wage index. This year's occupational mix survey (OMS) collects data for pay periods ending between January 1, 2010 and December 31, 2010 and will be applied to the federal fiscal year 2013 wage index. The completed OMS is due to your Medicare Administrative Contractor (MAC) by July 1, 2011.

Accurate completion of the OMS is important because it impacts a market's wage index by adjusting for the differences in the skill mix of labor used. The OMS is even more significant to Sole Community (SCH) and Medicare Dependent (MDH) Hospitals because the results are used as a benchmark for nurse staffing when calculating a Low Volume Adjustment (LVA) payment.

The LVA is a payment made to an SCH or MDH that experiences a more than five percent decline in its total number of inpatient discharges from one year to the next. When determining the amount of the payment, the MAC is required to compare the hospital's number of nursing staff with the staffing of like-size hospitals in the same census region. Currently, the benchmarks used to make this comparison are based on OMS data. If it is determined that a hospital employs more than the reported average number of nurses, the amount of the LVA payment is reduced for the cost of maintaining the additional staff. The MAC may also use a hospital's OMS data submission to verify the number of nursing FTEs used in the LVA request.

Several factors should be considered to ensure proper completion of the OMS:

- When categorizing nursing personnel include only those working in the cost centers listed on the OMS instructions; nursing staff in other departments should be included in the "all other" category.
- Nurses who perform solely administrative functions should be *excluded* from the nursing categories and included in the "all other" category.
- Paid hours should *exclude* non-work related hours such as on-call and bonus hours.

Begin planning now; properly categorizing personnel may require reviewing job descriptions or speaking to managers to determine actual job functions.

Please call or email Michele Causley if you have any questions.



810-750-6822 ext. 180



mcausley@TheRybarGroup.com