



FORVIS

Medicare Occupational Mix CY 2022

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Meet the Presenters



Steve Parde
Managing Director
steve.parde@forvis.com



Brian Green
Director
brian.green@forvis.com

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Agenda

- Why occupational mix survey (OMS)

- Review CMS guidelines for OMS

- Occupational mix adjustment factor example calculations

- New Jersey & national statistics

- What can be done now in preparation for 2023?

- Questions?

Why Is There an OMS?

Required under Benefits Improvement & Protection Act (BIPA)

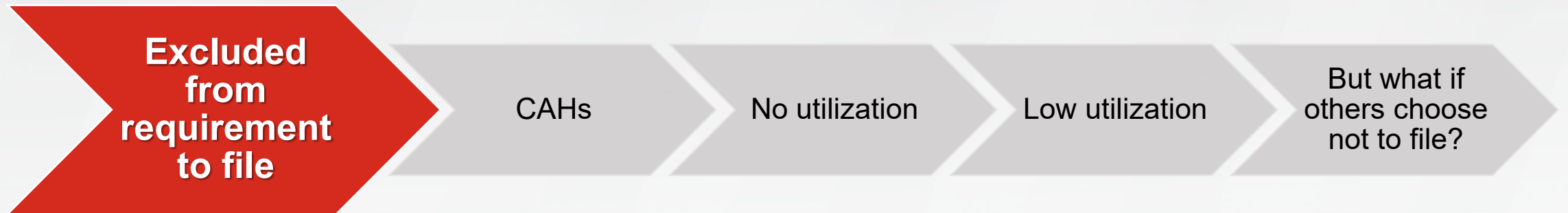
Required to be collected at least every three years

Purpose to control impact on wage survey because of differences in management choices for staffing by types of nurses – RNs, LPNs, & aides

Why Is There an OMS?

- Originally intended to shift dollars from urban hospitals to small, rural community hospitals
- Expected results of previous OMS
 - Rural would be over 1.0 factor
 - Urban would be under 1.0 factor

OMS Applicability



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Timing & Forms

- Likely due to Medicare Administrative Contractor (MAC) by July 1, 2023
 - Forms & deadlines not yet released
 - Historical website for instructions & forms from FYE 2019
 - <https://www.cms.gov/medicare/medicare-fee-service-payment/acuteinpatientppswage-index-files/2019-occupational-mix-survey-hospital-reporting-form-cms-10079-wage-index-beginning-fy-2022>

- *Guidance given today is based on the historical instructions & could change when the actual forms are released*

Calendar Year 2022 OMS

- Anticipate full year of data—Payroll periods ending between 1/1/22 & 12/31/22
 - Not accrual basis
 - Pay period end dates important
- Plus contract labor
- But no wage-related costs

Calendar Year 2022 OMS

- Types of salaries—same rules as wage index
- Types of hours—same rules as wage index
- Look at prior year adjustments to hours & salaries
 - Consider changes since last OMS report was ran in 2020 for the 2019 calendar period
 - How has COVID impacted the payroll reports & contract labor?

Categories

THREE CATEGORIES, TWO ARE REPORTED

- Nursing
- All Other
- Excluded (track but do not report)

Categories are defined by Standard Occupational Classification (SOC), last updated 2018

Category One: Nursing



REGISTERED NURSES

LPNs, LVNs, & SURGICAL TECHNOLOGISTS

AIDES, ORDERLIES, & NURSING ASSISTANTS

MEDICAL ASSISTANTS

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Bureau of Labor Statistics (BLS) Definitions

- RNs SOC 29-1141: “Assess patient health problems & needs, develop & implement nursing care plans, & maintain medical records ...”
- LPN SOC 29-2061: “Care for ill, injured, convalescent, or disabled persons in hospitals ...”

Surgical Technologists SOC 29-2055: “Assist in operations, under the supervision of surgeons, RNs, or other surgical personnel ...”

Nursing Assistants SOC 31-1131 & Orderlies SOC 31-1132: “Provide basic patient care under direction of nursing staff ...”

BLS Definitions

- Medical Assistant SOC 31-9092: “Performs administrative & certain clinical duties under the direction of physician ...”
- BLS additional details
 - <http://www.bls.gov/soc/home.htm#classification>

Nursing Cost Centers

13 Nursing Admin

30 A&P

31 ICU

32-35 CCU, BICU, SICU,
Other Special Care

43 Nursery

50 Operating Room

51 Recovery Room

52 Labor & Delivery

69 EKG

74 Renal Dialysis

75 ASC

76 Other Ancillary

90 Clinics

91 Emergency

92 Observation Beds

Subscribed CCs Within
Above Categories

Nursing

➤ **Nurses Must Do**

- Direct patient care
- Supervise someone doing direct patient care

➤ **All Other**

- Second removed from patient care
- Administrative functions

Other Nursing Tips

- **Nursing Administration**
 - Worksheet B-1 excluded percentage
 - Excluded percentage of hours
 - From last WI or most recent CRP
- License of nurse – graduate nurses versus RN
- Evaluate hours categories – nursing versus all other & other non-direct patient care associated with COVID impact (furlough, response team time, etc.)

OMS Excluded Percentage Computation

OMS Excluded Percentage Computation	12/31/XX	12/31/XX		12/31/XX	12/31/XX
Based on Worksheet S-3, Part II	As Filed	NPR xx/xx/xx	Based on Worksheet B-1	As Filed	NPR xx/xx/xx
Cost report period	Most recent CR	Last WI audited CR	Cost report period	Most recent CR	Last WI audited CR
Hours: (key all hours as positive)			Nursing Administration Stat:	-	-
Line 9 Skilled nursing unit			Line 20 Nursing school	-	-
Line 10 Excluded areas	-		Line 23 Paramed Ed Program		
Excluded hours	-	-	Line 40-42 Subproviders		
			Lines 45-46 Nursing facility		
Line 1 total	-		Lines 94 Home program dialysis		
Line 28 A&G under contract	-		Line 95 Ambulance		
Line 33 Housekeeping under contract			Line 98 Other nonreimbursable		
Line 35 Dietary under contract			Line 99 CMHC/CORF	-	-
Less Line 2 CRNA hours (salaried only)			Line 100 I&R	-	-
Less Line 3 CRNA hours (salaried only)			Line 101 Home health agency	-	-
Less Line Line 4.01 Teaching Physicians			Lines 105--112 Organ acquisition	-	-
Less Line 5 Part B physicians	-		Line 114 Utilization revenue SNF	-	-
Less Line 6 Nonphysician Part B	-		Line 115 Ambulatory surgery center	-	-
Less Line 7 I&R (salaried only)			Line 116 Hospice	-	-
Less Line 8 Home office in Worksheet A	-		Line 190 to end Nonreimbursable cost centers	-	-
Less sum of Lines 26-43 overhead	-		Excluded amount	-	-
Revised hours	-	-	Total stat amount	-	-
Excluded hours/Revised Hours= Excluded Percentage	#DIV/0!	#DIV/0!		#DIV/0!	#DIV/0!



Category Two: Excluded

➤ What is excluded?

- WS A excluded areas (follow wage index rules)
- Part B (Physician, CRNA, NP)

Category Three: All Other

- Remaining non-nursing in the Nursing cost centers
- Other patient care cost centers not excluded
- Overhead cost centers
- Home office personnel

All Other

Overhead cost centers are to be reduced by the excluded area percentages similar to the wage index

- Based on excluded area hours

Contract Labor

- Same guidelines as for salaries
 - Nursing
 - All Other
 - Excluded
- Look at the prior year vendors & contract labor listings

Contract Labor

**Worksheet S-3, Pt II,
Line 11 Patient Care
Contract**

- Nursing
- All Other

**Worksheet S-3, Part II,
Line 12 Management &
Administrative**

- Nursing
- All Other

Contract Labor

- Worksheet S-3, Part II, Line 13 Contract Part A Physicians
 - All other
- Worksheet S-3, Part II, Line 28, 33 & 35 A&G, Housekeeping & Dietary Contract, respectively
 - All Other

Occupational Mix Survey

FINAL FFY 2022 NATIONAL OCCUPATIONAL MIX NURSING SUBCATEGORY	AVERAGE HOURLY WAGE (AHW)
Registered Nurse	\$44.45
LPN & Surgical Tech	\$26.83
Nurse Aide, Orderly, & Attendant	\$18.53
Medical Assistant	\$19.50
National Nurse Category	\$37.42

OMS Example

1.	2. OMS HOURS	3. OMS SALARIES	4. PROVIDER % BY SUBCATEGORY	5. NATIONAL AHW – FFY 2022	6. PROVIDER ADJUSTED AHW	7. PROVIDER % BY TOTAL
RN	830,000	\$37,000,000	67.76%	\$44.45	\$30.12	
LPN	95,000	\$3,200,000	7.76%	\$26.83	\$2.08	
Nurse Aides	270,000	\$5,700,000	22.04%	\$18.53	\$4.08	
Medical Assistants	30,000	\$800,000	2.45%	\$19.50	\$0.48	
Total Nurse Hours & Salaries	1,225,000	\$46,700,000		\$37.42	\$36.76	37.60%
All Other	2,400,000	\$77,500,000				62.40%
Total	3,625,000	\$124,200,000				

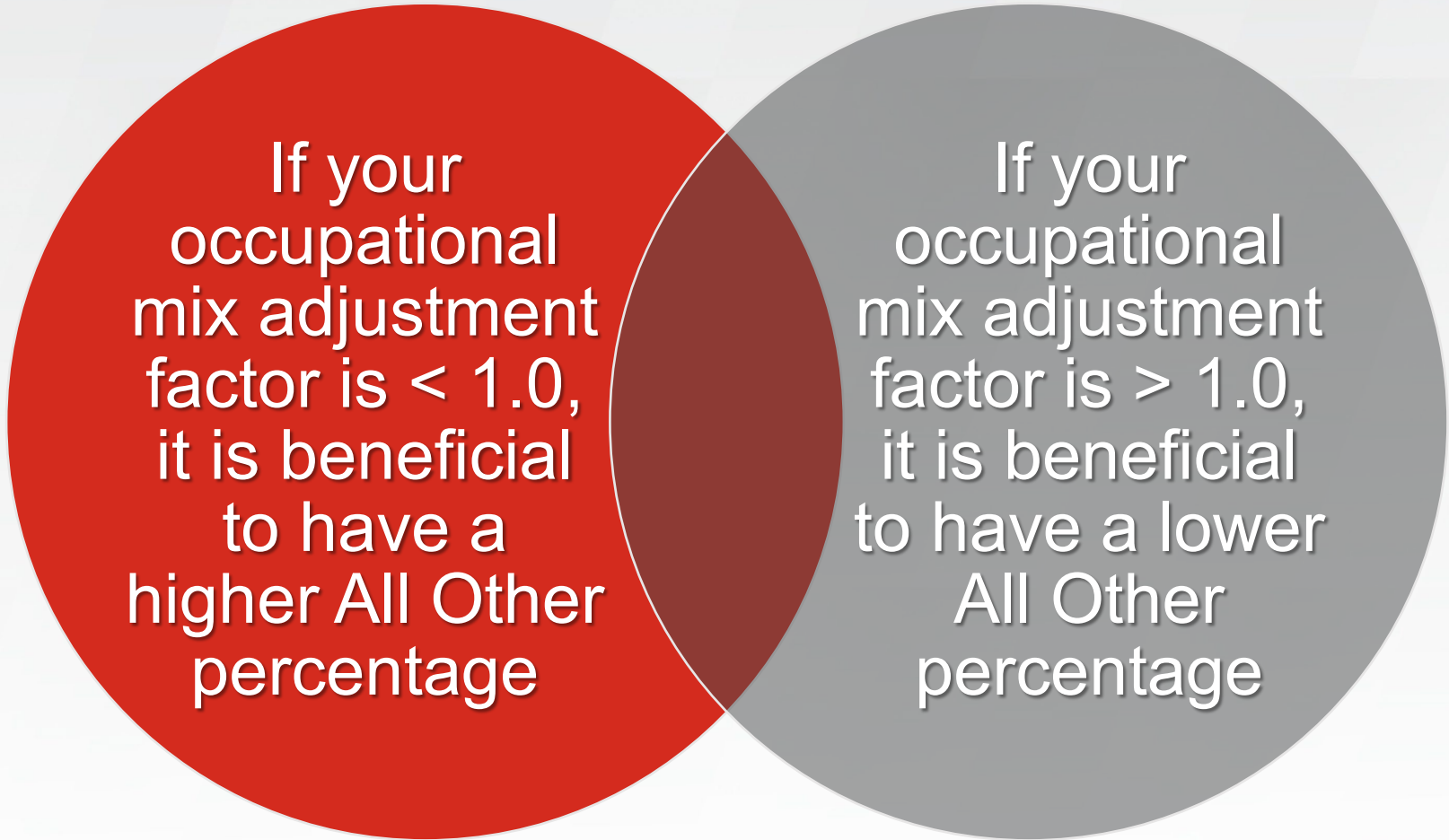
OMS Example

- National Nursing AHW \$37.42
- Provider's Nursing AHW \$36.76
- Nurse Occupational Mix Adjustment Factor (OMAF)
 - $\$37.42 / \$36.76 = 1.0180$

OMS Example

Wages (S-3, Parts II & III)	\$158,000,000
Hours (S-3, Parts II & III)	3,600,000
Unadjusted AHW	\$43.89
Nurse Occ Mix Wages	\$60,476,404
All Other Unadjusted Occ Mix Wages	\$98,590,982
Total Occ Mix Wages	\$159,067,386
Total Increase in Wages	\$1,067,386
Adjusted Occ Mix AHW	\$44.19

Occupational Mix Survey



If your occupational mix adjustment factor is < 1.0 , it is beneficial to have a higher All Other percentage

If your occupational mix adjustment factor is > 1.0 , it is beneficial to have a lower All Other percentage

Impact Equates to \$\$\$

- Change in RNs by adding just 1% lowers example adjusted AHW
- If hospital AHW represents average for CBSA & all hospitals within that CBSA are off by 1% in RN category, what is impact on wage index?
 - What if it's 2% off?

OMS Impact on the AHW

CBSA	FFY 2023 Unadjusted AHW	FFY 2023 Occ Mix AHW	Occ Mix Impact
MADERA, CA	\$37.09	\$39.71	\$2.62
KENNEWICK-RICHLAND, WA	\$46.27	\$48.76	\$2.49
ST. JOSEPH, MO-KS	\$42.91	\$45.32	\$2.41
ST. CLOUD, MN	\$44.30	\$46.40	\$2.10
PORTLAND-SOUTH PORTLAND, ME	\$47.43	\$49.46	\$2.03
OAKLAND-BERKELEY- LIVERMORE, CA	\$89.34	\$86.59	-\$2.75
STOCKTON, CA	\$75.57	\$72.77	-\$2.80
SACRAMENTO-ROSEVILLE- FOLSOM, CA	\$81.37	\$78.47	-\$2.90
SAN LUIS OBISPO-PASO ROBLES, CA	\$64.53	\$61.01	-\$3.52
SANTA CRUZ-WATSONVILLE, CA	\$88.21	\$84.00	-\$4.21

Prior OMS – Final FFY 2022

Category	Allentown- Bethlehem – Easton	Atlantic City – Hammonton	Camden	Newark	National
RN	61.7%	69.5%	69.0%	69.2%	70.7%
LPN	3.5%	3.4%	6.6%	3.1%	6.4%
Aide	29.3%	26.9%	13.9%	24.8%	19.2%
Medical Ass't	5.5%	0.2%	10.5%	2.9%	3.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Prior OMS – Final FFY 2022

Category	New Brunswick-Lakewood	New York – Jersey City – White Plains	Ocean City	Trenton – Princeton	National
RN	67.2%	67.9%	72.9%	64.0%	70.7%
LPN	2.7%	5.3%	1.6%	4.0%	6.4%
Aide	28.6%	23.7%	25.5%	21.6%	19.2%
Medical Ass't	1.5%	3.1%	0.0%	10.4%	3.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Prior OMS – Final FFY 2022

Category	Vineland-Bridgeton	Wilmington	National
RN	64.2%	69.0%	70.7%
LPN	2.2%	2.8%	6.4%
Aide	25.1%	19.5%	19.2%
Medical Ass't	8.5%	8.7%	3.7%
Total	100.0%	100.0%	100.0%

Prior OMS – Final FFY 2022

Category	Allentown-Bethlehem – Easton	Atlantic City – Hammonton	Camden	Newark	National
Nursing	38.6%	41.5%	48.1%	38.8%	41.7%
All Other	61.4%	58.5%	51.9%	61.2%	58.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Prior OMS – Final FFY 2022

Category	New Brunswick-Lakewood	New York – Jersey City – White Plains	Ocean City	Trenton – Princeton	National
Nursing	42.9%	38.8%	39.3%	41.1%	41.7%
All Other	57.1%	61.2%	60.7%	58.9%	58.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Prior OMS – Final FFY 2022

Category	Vineland-Bridgeton	Wilmington	National
Nursing	46.2%	40.2%	41.7%
All Other	53.8%	59.8%	58.3%
Total	100.0%	100.0%	100.0%

OMS Game Plan & Timeline

Coordinate all applicable parties once timeline is released

Match data with your wage index

Consider prior years adjustments

Consider if overall data is reasonable & compare to previous

FORVIS is available to prepare the survey or review once the OMS instructions are available

Survey likely due early July of 2023

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Common Issues Noted from 2019 OMS

- Pay code level support not detailed adequately to identify non-nursing, including job title
- Mismatch of allowable hours to include for wage index compared to OMS
- All other overhead date & RNs reported with Nursing Administration were not reduced by the excluded area percentage
- Contract labor not included with All Other category, including physician contract labor
- Inclusion of non-nursing cost centers positions included with nursing categories
- Worksheet A-6 reclassified hours not accounted for within OMS detail

Questions?

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Connect with Us



Steve Parde
Managing Director
steve.parde@forvis.com



Brian Green
Director
brian.green@forvis.com

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