

Date: May 24, 2023
To: All IPPS Hospitals
From: Sheryl Naccarato, Director

Subject: Availability of the Preliminary Federal Fiscal Year (FY) 2025 Wage Index Public Use Files (PUF), Deadline for Requesting Revisions to the Preliminary FY 2025 Wage Index Data, and FY 2025 Wage Index Development Timetable

I. Availability and Revisions to Wage Index PUF

On **Tuesday, May 23, 2023**, CMS released the preliminary FY 2025 Worksheet S-3, Parts II and III wage index PUF. The FY 2025 IPPS wage index will be calculated based on Federal FY 2021 hospital cost reports; that is, cost reports with fiscal year begin (FYB) dates of on or after October 1, 2020 and on or before September 30, 2021.

The PUF is available at: <https://www.cms.gov/medicare/medicare-fee-service-payment/acuteinpatientpps/wage-index-files/fy-2025-wage-index-home-page>. The American Hospital Association also generally makes the wage index PUF available to individual State hospital associations. The PUF excludes hospitals designated as CAHs as of May 2023. The FY 2021 wage data will be used in the development of the proposed FY 2025 wage index, to be published in the Federal Register in Spring, 2024.

Hospitals must review the file to confirm the inclusion and accuracy of their wage index and occupational mix data. Hospitals may request revisions to their preliminary data. As the attached FY 2025 Hospital Wage Index Development Timetable indicates, all requests from hospitals for changes to their FY 2025 wage index data must be submitted to and received by their Medicare Administrative Contractors (MACs) by **Friday September 1, 2023**. A hospital that wishes to revise its wage index and/or occupational mix data must submit its request along with complete, appropriate, detailed supporting documentation to its MAC. **Requests received after the September 1, 2023 deadline, will not be accepted.** MACs must receive the revision requests and supporting documentation by this date.

II. CY 2022 Medicare Occupational Mix Survey Submission

Section 1886(d) (3) (E) of the Social Security Act requires CMS to collect data every three years on the occupational mix of employees for each short-term, acute care hospital participating in the Medicare program, in order to construct an occupational mix adjustment to the wage index. On August 4, 2022, CMS published a notice in the Federal Register (87 FR 47750 - 47751) announcing a new occupational mix survey. The new survey provides for the collection of hospital-specific wages and hours data for calendar year (CY) 2022 (that is, payroll periods ending between January 1, 2022 and December 31, 2022). The CY 2022 Medicare occupational mix survey will be applied for 3 years beginning with the FY 2025 wage index, and for the FY 2026 and FY 2027 wage indexes as well.

Hospitals must complete the CY 2022 occupational mix surveys and submit them on the Hospital Reporting Form, CMS 10079 (2022), to their MACs by June 30, 2023, via email attachment.

The CY 2022 Medicare occupational mix survey and instructions for hospitals can be found at <https://www.cms.gov/medicare/medicare-fee-service-payment/acuteinpatientpps/wage-index-files/2022-occupational-mix-survey-hospital>

Hospitals must have at least 11 months of CY 2022 data in order for the data to reflect seasonal variations in staffing levels; if the hospital does not have at least 11 months of CY 2022 data (e.g., due to a change of ownership or because it is a new hospital with a short reporting period), the hospital should not submit CY 2022 occupational mix data to its MAC.

CMS expects to post the CY 2022 occupational mix survey data as a PUF on its website on July 12, 2023. Hospitals must review the file to confirm the inclusion and accuracy of their occupational mix data. Hospitals may request revisions to their preliminary data. As the attached FY 2025 Hospital Wage Index Development Timetable indicates, all requests from hospitals for changes to their FY 2025 occupational mix data must be submitted to and received by their MACs on or before **September 1, 2023**. A hospital that wishes to revise its occupational mix data must submit its request along with complete, appropriate, detailed supporting documentation to its MAC. **Requests received after the September 1, 2023 deadline, will not be accepted.** MACs must receive the revision requests and supporting documentation by this date.

If you have any questions, please contact Melissa Marzo at (701) 715-9141 or JF-WageIndex@noridian.com.

Sincerely,

/s/

Melissa Marzo

ATTACHMENT: FY 2025 Wage Index Development Timetable