

TO: All Hospitals

FROM: CareFirst of Maryland, Inc. - Medicare Part A

DATE: January 28, 2004

**SUBJECT: FY 2005 Hospital Wage Index Development Timetable
(October 2003 through October 2004)**

<u>Date:</u>	<u>Task:</u>
October 8, 2003	Publication of preliminary and unaudited wage data file published as a public use file (PUF) on CMS Web site. The October PUF includes wage data from cost reports submitted to HCRIS through August 31, 2003. The file excludes hospitals designated as CAHs as of October 1, 2003.
October 10, 2003	Notice sent from CMS to FIs regarding the November 24, 2003 deadline for hospitals to request revisions to the wage data as reflected in the preliminary file. Notice must be forwarded by the fiscal intermediaries (FIs) to hospitals they service to alert hospitals to the availability of the preliminary wage data file for their review and to inform hospitals that this will be their final opportunity to request revisions.
November 24, 2003	Deadline for hospitals to request revisions to their Worksheet S-3 wage data as included in the October PUF and to provide documentation to support the request. FIs must receive the revision requests and supporting documentation by this date. FIs will have approximately two months to complete their reviews, make determinations, and transmit revised data to CMS's Division of Acute Care (DAC).
February 13, 2004	Deadline for FIs to complete all desk reviews for hospital wage data and transmit Worksheet S-3 data to DAC in electronic format (HCRIS hdt format or the Excel manual template provided by CMS).

- February 20, 2004 **Intermediaries must notify State hospital associations regarding hospitals that fail to respond to issues raised during the desk reviews.** The purpose of the letter is to inform the association and its member hospitals that a hospital's failure to respond to matters raised by the intermediary can result in lowering an area's wage index value and, therefore, lower Medicare payments for all hospitals in the area.
- February 27, 2004 Release of revised wage data file as a PUF on the CMS Web site. This data will have been desk reviewed and verified by the FIs before being published. Also, a file including each Metropolitan Statistical Area's and rural area's average hourly wages for the FYs 2004 and 2005 wage indexes will be provided on the CMS Web site.
- March 12, 2004 Deadline for hospitals to submit requests (including supporting documentation) for corrections to errors in the February PUF due to CMS or FI mishandling of the wage data or revisions of desk review adjustments to their Worksheet S-3 wage data as included in the February PUF and to provide documentation to support the request. FIs must receive the requests and supporting documentation by this date. No new requests for wage data revisions will be accepted by the FIs at this point, as it is too late in the process to handle data that is new to the FIs in a timely manner.
- April/May Approximate date proposed rule will be published; includes proposed wage index, which is calculated based on the revised wage data from February; 60-day public comment period and 45-day withdrawal deadline for hospitals applying for geographic reclassification.
- April 16, 2004 Deadline for FIs to transmit final revised Worksheet S-3 wage data (in HCRIS hdt format or by the Excel manual template) to DAC for inclusion in the final wage index. All data revisions must be transmitted to DAC by this date. **FIs must also notify hospitals regarding the hospitals' March 12, 2003 correction/revision requests by this date.**
- April 23, 2004 Deadline for hospitals to appeal FI determinations and request CMS' intervention in cases where the hospital disagrees with the FI's determination. It should be noted that during this review, we do not consider issues such as

the adequacy of a hospital's supporting documentation, as we believe that the FIs are generally in the best position to make evaluations regarding the appropriateness of these types of issues (which should have been resolved earlier in the process). Requests should include all correspondence between the hospital and FI that document the hospital's attempt to resolve the dispute earlier in the process.

Late April

Final wage data compiled and sent by CMS to FIs for verification. This verification of the final wage data by the FIs is necessary to ensure that the correct data for each hospital has been properly transmitted and received. The FIs will have approximately one week in which to complete the verification.

Notice sent from CMS to each FI regarding the May 7, 2004 release of the final wage data PUF and the June 11, 2004 deadline for hospitals to request corrections to the wage data as reflected in the final file. Notice must be forwarded by FIs to hospitals they service to alert hospitals to the availability of the final wage data file for their review, and to inform hospitals that this will be their last opportunity to request corrections to errors in the final data. Changes to data will be limited to situations involving errors by CMS or the FI that the hospital could not have known about before review of the final May PUF. Data that was incorrect in the October or February wage data PUFs, but for which no correction request was received by the March 12 deadline, will not be considered for correction at this stage.

May 7, 2004

Release of final wage data PUF on CMS Web page. Hospitals will have approximately one month to verify their wage data and submit correction requests to **both** CMS and their FI to correct errors due to CMS or FI mishandling of the final wage data.

June 11, 2004

Deadline for hospitals to submit correction requests to **both** CMS and their FI to correct errors due to CMS or FI mishandling of the final wage data. We emphasize that data that was incorrect in the October or February wage data PUFs, but for which no correction request was received by the March 12, 2003 deadline, will not be changed at this stage for inclusion in the wage index. Each correction request must include all information and supporting documentation needed for CMS and the FI to

determine whether or not the hospital's request meets the criteria for a correction to their wage data at this point in the wage index development. The FIs and DAC will review each request upon receipt and consult to determine whether or not the request qualifies for correction of the final wage data.

August 1, 2004

Publication of the FY 2005 final rule; wage index includes final wage data corrections.

October 1, 2004

Effective date of FY 2005 wage index.

(Source: Publication 100-04, Transmittal 70, Change Request 3038)

THIS BULLETIN SHOULD BE SHARED WITH ALL HEALTH CARE PRACTITIONERS AND MANAGERIAL MEMBERS OF THE PROVIDER/SUPPLIER STAFF. ALL BULLETINS ISSUED AFTER OCTOBER 1, 1999 ARE AVAILABLE AT NO COST FROM OUR WEB SITE AT www.marylandmedicare.com.