

WAGE INDEX REVIEWS

experience **insight** // Hospital wage index data is vital to your hospital's overall wage index. Having data that is accurate and complete is essential to receiving the proper Medicare and Medicaid reimbursement. You need insight and experience. **BKD, LLP** can help. The advisors of BKD National Health Care Group perform wage index reviews that can help hospitals comply with complex rules and identify areas for improvement.



UNCOVERING REIMBURSEMENT OPPORTUNITIES

Changes to an area's overall wage index can quickly affect the bottom line. A change of just 1 percent can result in significant reimbursement opportunities for a hospital. Typically, a 1 percent change in the wage index impacts the inpatient diagnosis-related group (DRG) reimbursement by \$50 per Medicare discharge.

Our wage index solutions include:

- Performing analytical comparisons with other hospitals within the Core Based Statistical Area (CBSA)
- Reviewing supporting documentation used to compile the cost report wage index data
- Interviewing and conferring with hospital staff to verify proper reporting of hours, benefits and other key components
- Facilitating strategy planning sessions with key hospital personnel
- Conducting education sessions with key hospital personnel
- Helping assess Centers for Medicare & Medicaid Services (CMS) public wage index files
- Assisting hospitals in submission of corrections to the Medicare Administrative Contractor (MAC) and CMS
- Filing appeals to the MAC and CMS

BKD National Health Care Group's reimbursement consultants are willing to get into the details to help a hospital, health system or a metropolitan area with reimbursement opportunities.

UNDERSTANDING COST REPORTS & WAGE INDEX RULES

A successful wage index review requires a detailed and analytical approach. Our management consultants have a thorough understanding of wage index rules and Medicare cost reports. We can pinpoint report areas that could be absent and open doors to other opportunities. Our focus is not only on the current year's wage index review but also on strategic opportunities for prospective years.

Each wage index project is staffed with a qualified team of reimbursement consultants to serve hospitals using a strategic group approach. Our solutions strike a balance between innovation and compliance; we search out all possible corrections, but we adhere to CMS guidelines. This group method offers expert communication and coordination, keeps you informed every step of the way and produces timely task completion.

Our wage index team also is familiar with the entire cost reporting process, so the solutions and strategies we offer will make sense in light of the entire cost report.

In addition to our current year's review, we work with hospitals year-round to assist as wage index questions arise.

1050 CLIENTS 

Experience a clear point of view with a firm that works with approximately 1,050 hospitals and health care systems and has professionals trained in the industry.

THE AUDIT WAGE INDEX METHODOLOGY

Our wage index work is tailored to the specific needs of hospitals, health system or metropolitan area. However, the following provides a typical timeline for a wage index review beginning in June.

EDUCATION & DATA REQUEST: JUNE THROUGH JULY

- Education program
- Documentation request to review required items

ANALYTICAL REVIEW: JULY THROUGH AUGUST

- Comparison of wage index with prior year hospital specific data
- Comparison of wage index with CBSA data
- Analytical ranking of data among the hospitals within the CBSA, e.g., fringe benefit percentage, overhead comparisons and excluded area comparisons

DETAILED REVIEW: JULY THROUGH SEPTEMBER

- Assess wage index data for accuracy and consistency using a comprehensive electronic checklist
- Comb additional areas for omissions and wage index agreement:
 - Worksheet A series
 - Trial balance cost center groupings
 - Reclasses
 - Offsets
 - Related-party and home office issues

ON-SITE WORK: AUGUST THROUGH OCTOBER

- Close client attention with on-site availability, should you so desire

- Discussion with management to review analytical and detailed findings, as well as any additional underlying data that could affect the results

REPORTS & FINDINGS: OCTOBER THROUGH NOVEMBER

- Prepare final reports on results
- Deliver recommendations and strategies for future cost reporting intervals
- Issue electronic draft materials and supporting documentation for submission to the MAC

PUBLIC USE FILES (PUF)

- Access and analyze each PUF wage index data
- Work with the hospital to resolve any issues within the PUF
- Share preliminary results on a timely basis

OCCUPATIONAL MIX SURVEY

During the years for which an occupational mix survey is to be completed, we also assist hospitals so the survey is properly completed and strategic opportunities are considered. Consistent with the wage index files, we monitor PUFs and compute estimated occupational mix adjustment factors.

WAGE INDEX TOOLS

As part of our strategic approach to partnering with hospitals in the wage index endeavor, we provide access to the tool that estimates average hourly wage in our wage index reviews. This tool often is used by hospitals on an ongoing basis to run strategic scenarios and compute estimated effects on average hourly wage.



FOR MORE INFORMATION // For a complete list of our offices and subsidiaries, visit bkd.com/industries/health-care.



You may also email us at healthcare@bkd.com

590 ADVISORS 

Experience practical direction from approximately 590 professionals focused on health care for a national CPA and advisory firm.

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