

## The CMS Nursing Home Five-Star Quality Rating System

**Issue:** The federal Centers for Medicare and Medicaid Services (CMS) created and rolled out the Nursing Home 5-Star Quality Rating System in December of 2008. The intent of the 5-Star rating system was to help consumers, their families, and caregivers compare nursing homes more easily and to help identify areas where individuals interested in nursing home care may want to ask questions.

Under the system, each nursing home in the country is given a rating of between one and five stars, with a 5-star nursing home considered to provide much above average quality care and a 1-star facility considered to provide much below average quality. There is one overall 5-star rating for each facility and a separate 5-Star rating for each of the following three sources of information: 1) Nursing home surveys over the last three years; 2) The number of hours of care provided on average to each resident daily by nursing staff; and 3) The “quality measure” (QM) rating on 10 different physical and clinical measures, such as the prevalence of pressure sores or changes in a resident’s mobility.

From its inception, providers have argued the 5-Star Rating System is misunderstood by consumers, policymakers and the media. That concern apparently had at least some traction because the Patient Protection and Affordable Care Act (PPACA) requires the Government Accountability Office (GAO) to conduct a study of the 5-Star Rating System which would include an analysis of how the system is being implemented, problems associated with the system and its implementation, and how the system might be improved. The GAO is to submit a report to Congress on its findings and recommendations no later than March 23, 2012.

**WAHSA Position: Place the Nursing Home 5-Star Rating System on hold until the mandated GAO report is submitted to Congress and any changes to the system that are recommended by the GAO are implemented by the CMS.**

### Arguments in Support of WAHSA Position:

- As noted above, providers believe the current 5-Star rating system is misleading to those it is intended to help. The 5-Star Rating System is based largely on a terribly flawed nursing home survey and enforcement system; its staffing information is based on a two-week snapshot of data that frequently does not accurately reflect the actual patterns of facility staffing; the presentation of “quality measures” penalizes nursing homes caring for the frailest residents; and the system allows facilities’ ratings to rise or fall frequently without any actual operational changes in the facility.
- The multiple data set (MDS) is a core set of screening and assessment elements which are used as part of a Resident Assessment Instrument to facilitate care management in nursing homes. MDS 2.0 was replaced October 1, 2010 by MDS 3.0. The primary difference between the two is MDS 3.0 incorporates direct resident interviews in the assessment process. The CMS uses MDS data to determine the quality measures rating component of the 5-Star rating system. Because of the



October 1, 2010 switch from MDS 2.0 to MDS 3.0, the CMS recently announced that it intends to “freeze,” or retain the current 5-Star QM ratings until October 2011 so that the MDS 3.0 data can be properly collected and analyzed. In other words, data from the 3<sup>rd</sup> quarter of 2010 will be used to determine the 5-Star QM ratings until October 1<sup>st</sup> of this year. Use of this outdated and consequently inaccurate data undermines and discredits the rating system as a whole. More importantly, the use of this inaccurate information would be a disservice to the consumers who rely on accurate data to make decisions related to quality nursing home care. **Rather than keeping afloat a flawed product, WAHSA members recommend that the 5-Star Nursing Home Rating System be reinstated after the GAO conducts its study of the system and after any changes to the system that are recommended by the GAO are implemented by the CMS.**

*The Wisconsin Association of Homes and Services for the Aging (WAHSA) is a statewide membership organization of not-for-profit corporations principally serving seniors and persons with a disability. Membership is comprised of 188 religious, fraternal, private, and governmental organizations which own, operate and/or sponsor 195 nursing homes, 14 facilities for the developmentally disabled, 87 residential care apartment complexes (RCAC), 95 community-based residential facilities (CBRF), 114 senior apartment complexes, and more than 300 community service agencies which provide programs such as Alzheimer’s support, adult day care, child day care, home health, hospice, home care, and Meals on Wheels. Together, WAHSA serves 505 not-for-profit nursing home, assisted living, senior housing, and other community-based providers principally serving elderly persons and individuals with a disability. WAHSA members employ over 38,000 people who provide compassionate care and service to over 48,000 individuals each day.*

*For more information about WAHSA’s public policy positions, please contact the WAHSA staff at (608) 255-7060 or by email: John Sauer, Executive Director (jsauer@wahsa.org); Tom Ramsey, Director of Government Relations (tramsey@wahsa.org); or Brian Schoeneck, Financial Services Director (bschoeneck@wahsa.org).*