



Center for Clinical Standards and Quality/Survey & Certification Group

Ref: S&C: 15-26-NH

DATE: February 13, 2015

TO: State Survey Agency Directors

FROM: Director
Survey and Certification Group

SUBJECT: *Nursing Home Compare “3.0” - Five Star Quality Rating System - Expanded and Strengthened*

Memorandum Summary

February 20, 2015 Improvements to *Nursing Home Compare* include:

- Including Quality Measures (QMs) for nursing homes’ use of antipsychotic medication in residents without diagnoses of schizophrenia, Huntington’s disease, or Tourette syndrome in the *Five Star* calculations. One measure is for the new use of these medications in short-stay residents. A second measure reflects continued use of such medications in long-stay nursing home residents.
- Raising the threshold for nursing homes to achieve a high rating on all measures publicly reported in the QM dimension on the website.
- Updating expectations for State Survey Agencies to conduct specialized, onsite surveys of a sample of nursing homes across the U.S. that assess adequacy of resident assessments and the accuracy of information reported to CMS that is used in calculating quality measures used in the rating system.

Background

On December 18, 2008 the Centers for Medicare & Medicaid Services (CMS) added the *Five Star Quality Rating System* to the CMS *Nursing Home Compare* website. The upgraded *Nursing Home Compare “2.0”* was part of CMS’s continued effort to improve the information available to consumers. To assist the public in identifying meaningful distinctions among providers, the *Five Star Quality Rating System* lists an Overall rating for each facility based on facility performance on three separate measures, each of which has its own *Five Star* rating:

Onsite Inspections: Conducted by trained, objective surveyors from State public health departments and CMS, the rating system reflects the findings of approximately 180,000 onsite inspections of nursing homes over the most recent 3-year period.

For scoring of these survey results, NHs are compared against each other. NHs can gain a higher star rating if they improve relative to other NHs in the same State.

Quality Measures: Information from the nursing homes is used to calculate quality measures, such as the prevalence of pressure ulcers, use of restraints, and the extent of injurious falls.

For scoring the quality measures, CMS uses fixed numeric thresholds as the boundaries between the star categories. Providers can see the “number” they must attain in order to move up by one star. Providers can increase their star rating regardless of whether other nursing homes also improve.

Staffing Levels: Staffing levels in nursing homes are reported on the website and used in the 5-Star ratings. Research indicates that staffing level is important to overall quality in a nursing home.

Facility ratings on the staffing domain are based on two measures – RN hours per resident day and total staffing hours for RNs, Licensed Practical Nurses (LPNs), and certified nursing assistants (CNAs) hours per resident day. Other types of nursing home staff such as clerical, administrative, or housekeeping staff are not included in these staffing numbers.

On July 19, 2012 CMS added more information useful to consumers, including:

- Quality Measures based on Minimum Data Set (MDS) 3.0 data
- Detailed Enforcement History
- Detailed Inspection Reports (Form CMS-2567)
- Ownership information
- Information on Physical Therapist Staffing Levels

Nursing Home Compare 3.0 – February 20, 2015

As announced in a CMS and White House Press Release on October 6, 2014¹, and in a CMS fact sheet on February 12, 2015², CMS will continue to make improvements to *Nursing Home Compare* and the *Five Star Quality Rating System*. The 2015 improvements actions (“*Nursing Home Compare 3.0*”) will include:

- **Add 2 Quality Measures (QMs):** for antipsychotic medication use in nursing homes to the 5- Star calculations. One measure is for short-stay residents when a nursing home begins use of antipsychotics for people without diagnoses of schizophrenia, Huntington’s disease, or Tourette syndrome, and a second measure reflects continued use of such medications for long-stay nursing home residents without diagnoses of schizophrenia, Huntington’s disease, or Tourette syndrome.

¹ <http://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2014-Press-releases-items/2014-10-06.html?DLPage=1&DLSort=0&DLSortDir=descending>

² <http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-02-12-2.html>

- ***Raise Performance Expectations***: by raising the standards for nursing homes to achieve a high rating on all publicly reported measures in the Quality Measures category on the website.
- ***Adjust Staffing Algorithms***: to more accurately reflect staffing levels. Nursing homes must earn 4-stars on either the individual Registered Nurse (RN) only or the staffing categories to receive 4-stars on the Overall staffing rating and can have no less than a 3-star rating on any of those dimensions.
- ***Expand Targeted Surveys***: a plan for State Survey Agencies to conduct specialized, onsite surveys of a sample of nursing homes across the U.S. that assess adequacy of resident assessments and the accuracy of information reported to CMS that is used in calculating quality measures used in the rating system. A report on the results of the pilot surveys completed in 2014 in five states will be available after February 23, 2015 at: <http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/Policy-and-Memos-to-States-and-Regions.html>.

On most CMS *Compare* websites, CMS sets the initial scoring for QMs at a distribution that reflects the achieved status quo, with the expectation that providers and nursing homes will continue to make substantial progress over time – and that the distribution will be re-set at a later point to reflect and promote further progress. A good example is in the national effort to improve dementia care and reduce the use of anti-psychotic medications in nursing homes. CMS set an initial goal of a 15% reduction (achieved nationally after 21 months). More recently CMS increased the goal to 30%. Eventually, a much greater reduction ought to be achieved, and the QM scoring distribution for that QM will be adjusted accordingly. That is to say, we consider a 15% reduction to represent good progress for a nursing home in the first year, but that a 15% reduction would represent inadequate progress in the third year.

The CMS has also made substantial investments, with nursing homes, to improve performance on the quality measures. Examples include survey and certification attention, considerable technical assistance provided through the Quality Improvement Organizations (QIOs), and support for the *Advancing Excellence Campaign*.³ Those investments bolster the expectation that, over time, nursing homes will show substantial progress in the quality measures.

As CMS raises the thresholds for performance on the Quality Measures, many nursing homes will initially see a decline in their QM rating - until they make further improvements. Because the QM scores are also used as part of the Overall rating, some nursing homes will experience a decline in their Overall Five Star Rating⁴. However, a decline in a nursing homes' *Five Star* rating absent any new survey information does not necessarily represent a sudden decline in quality. A change in a nursing home's QM star ratings may result from either the addition of the antipsychotic data into the QM Star rating, or from the rebasing of the QM star boundary lines. The changes being made helps CMS communicate the expectation that nursing homes should

³ <https://www.nhqualitycampaign.org/>

⁴ The QM rating will affect a facility's Overall rating only if it is very high or very low.

continuously improve and that the rating system will be adjusted to strengthen the quality measures. The changes will also restore sensitivity to the rating scale so as to help consumers distinguish performance differences among nursing homes.

Nursing home providers will receive a preview of their individual rating via their electronic connection to their State servers for submission of MDS beginning February 13, 2015. CMS anticipates that the upcoming changes included in Nursing Home Compare “3.0” will generate questions. To assist States, Regions, providers, and consumers in answering questions, we will be providing updated information on the CMS website periodically at:

<http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/FSQRS.html>.

Effective Date: Immediately. This information should be communicated with all survey and certification staff, their managers and the State/Regional Office training coordinators within 30 days of this memorandum.

/s/

Thomas E. Hamilton

cc: Survey and Certification Regional Office Management