

## Overall Hospital Quality Star Ratings on *Hospital Compare* Overview for Flex Programs and Rural Stakeholders

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**Overview:** CMS started releasing Overall Hospital Quality Star Ratings on the Hospital Compare website in July 2016, and has indicated the ratings will be refreshed twice per year. For the December 2016 release, 21% of hospitals (969 facilities) do not meet the minimum data requirements to have a star rating calculated. The majority (684) of the facilities with no star rating calculated are critical access hospitals (CAHs), which is more than half of the 1339 CAHs in the country.<sup>i</sup> On Hospital Compare, the listing for those hospitals without a star rating calculated indicates: “*Not available*” with a note that indicates “*There are too few measures or measure groups reported to calculate a star rating or measure group score.*”

**Background:** In recent years, CMS has systematically rolled out Star Rating Programs across different health care provider types including nursing homes, home health, dialysis providers, and some physician groups. The objective of the Overall Hospital Quality Star Rating project is to summarize information from existing measures on Hospital Compare in a way that is useful and easy to interpret for patients and consumers.

CMS released the Patient Experience/HCAHPS Star Rating program for hospitals in April 2015.<sup>ii</sup> They have indicated the Overall Hospital Quality Star Rating will be complementary to the HCAHPS Star Rating Program, and will not replace reporting of any individual hospital quality measures on Hospital Compare.

Initial roll-out of the Overall Hospital Quality Star Ratings on Hospital Compare was planned for April 2016, but was delayed due to Congressional and hospital industry questions and concerns.<sup>iii</sup> CMS worked to allay some of the concerns; and despite continued criticism, the initial roll-out occurred in July 2016. There continues to be industry concerns about program primarily focused on the lack of risk-adjustment that may penalize facilities that serve higher-risk and/or lower socio-economic populations, and that the ratings may be misleading to consumers.

**Summary of Methodology:**<sup>iv</sup> The Overall Hospital Quality Star Rating methodology uses a sub-set of acute care hospital measures already available on Hospital Compare. CMS excluded measures that have been suspended, retired, or delayed; measures with no more than 100 hospitals reporting publicly; structural measures; and duplicative measures (i.e., individual measures that make up a composite measure). Fifty-seven measures are currently included in the star rating calculation. CMS organizes measures into groups by measure type (see table below); outcomes measures comprise 66% of the measure weighting.

**CMS Hospital Measure Groups (# of measures per group, % weight for summary calculation)**

<b>Outcome Measures</b>	<b>Process of Care Measures</b>
<ul style="list-style-type: none"> <li>• Mortality (N=7, 22% weight)</li> <li>• Safety of Care (N=8, 22% weight)</li> <li>• Readmissions (N=8, 22% weight)</li> </ul>	<ul style="list-style-type: none"> <li>• Effectiveness of Care (N= 11, 4% weight)</li> <li>• Timeliness of Care (N=7 , 4% weight)</li> <li>• Patient Experience (N=11, 22% weight)</li> <li>• Efficient Use of Medical Imaging (N=5, 4% weight)</li> </ul>

*Note: To meet the minimum threshold to have a star rating calculated, hospitals must have at least three measures, in at least three groups, with at least one outcome group.*

For hospitals that meet the minimum threshold, all available measures are utilized in calculating a summary score. Measure groups are weighted, and weighting is re-proportioned for hospitals that do not have measures available in a particular category.

For the December 2016 Hospital Compare release, the frequency of star ratings are listed below:<sup>i</sup>

<b>Star Rating</b>	<b>Number of hospitals (percent of hospitals rated)</b>
One Star	112 (3%)
Two Star	694 (19 %)
Three Star	1794 (49%)
Four Star	946 (26%)
Five Star	83(2%)

Total Hospitals in *Hospital Compare* Data Set as of December 2016: 4,598

Met Reporting Threshold: 3,629 (79%)

Did not meet reporting threshold: 969 (21%)

Analysis provided by CMS from the initial July 2016 release indicated that of the 540 CAHs that did have a Star Rating calculated, CMS found a higher average Star Rating among CAHs (mean = 3.31) in comparison to the average Star Rating among non-CAHs (mean = 2.99). The range among CAHs was more narrowly distributed, from 2 to 4 stars, while the range of Star Ratings among non-CAHs was more broadly distributed, from 1 to 5 stars.<sup>v</sup>

**Rural Relevant Discussion/Talking Points:**

- Although we applaud the continued effort of CMS in driving towards improved quality and transparency, it is disappointing to see a Star Rating program rolled out that excludes more than 900 (or a fifth) of the nation’s hospitals, and more than half of the critical access hospitals.
- Many of the measures included in the ranking methodology are specific to a particular diagnosis or procedure. Small and rural hospitals often don’t have enough volume of any specific diagnosis to have measures calculated, or the procedures measured are not part of the services they provide. Low volume is not a statement about the quality of care.
- Although ‘no rating’ does not inherently imply low quality, it may be frustrating for CAHs that have been voluntarily reporting relevant measures to be excluded from the rating system, and challenging to explain the rationale to the local press and/or public and their patients.

- The use of this methodology reinforces the need for action to better address quality reporting and measurement for rural and low volume facilities. The [National Quality Forum Rural Report](#) released in September 2015 identified several recommendations to address these and other challenges of healthcare performance measurement for rural and low volume providers. We strongly encourage CMS consider those recommendations to enhance and support inclusion of rural providers in quality reporting and value-based purchasing strategies.

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<sup>i</sup> Breakdown of hospitals by overall rating found in the [Hospital Compare Overall Star Rating Frequently Asked Questions – December 2016 Release](#), and through analysis done on March 6, 2017 using the [www.data.medicare.gov](http://www.data.medicare.gov) site. Total number of CAHs access at [www.flexmonitoring.org](http://www.flexmonitoring.org) on March 6, 2017.

<sup>ii</sup> For the most recent data period available (Q1 2015 – Q4 2015), of the 1,010 CAHs that reported HCAHPS data, 559 CAHs did not have the minimum threshold of 100 surveys needed to calculate a HCAHPS Star Rating.

<http://www.flexmonitoring.org/wp-content/uploads/2017/01/DSR-21-HCAHPS-2017.pdf>

<sup>iii</sup> Kaiser Health News, [Medicare Delays Plans for New Star Ratings on Hospitals After Congressional Pressure](#). Published April 20, 2016.

<sup>iv</sup> Overall Hospital Quality Star Rating on *Hospital Compare*, [Quarterly Updates and Specifications Report](#) (v2.3). December 2016.

<sup>v</sup> [Data Brief: Evaluation of National Distributions of Overall Hospital Quality Star Ratings](#), CMS Fact Sheet. July 21, 2016.