LeadingAge™
Minnesota

ISSUE PAPER
Five-Star Quality Rating System Updates
April 2019

INTRODUCTION

Effective April 24, 2019, the Centers for Medicare & Medicaid Services (CMS) is making significant changes to the nursing home Five-Star rating system. The changes will lower overall average scores, as the changes to the staffing and quality measures domains will make it more difficult for nursing homes to attain the higher star levels. CMS is also updating the health inspections domain to include surveys that have not been used during the freeze that started in November 2017, and that change will be positive or negative depending on the outcome of the applicable surveys.

Knowing the significance of these changes on your operations, LeadingAge Minnesota has prepared this Five-Star Quality Rating System Updates Issue Paper to provide more details on each of the domains and how scores have changed, how these changes impact your Five-Star rating and talking points for how to discusses these changes with stakeholders.

HEALTH INSPECTIONS

In connection with rolling out the new nursing facility survey process and implementation of Phase 2 of the revised Requirements for Participation, CMS held constant -- or froze -- the health inspection star ratings for nursing homes starting in February 2018.

During the freeze, CMS did not include the results from inspections conducted on or after Nov. 28, 2017 in a nursing home's overall star rating. The rationale was that CMS wanted to allow time for all nursing homes to be surveyed at least once under the new survey process and time for CMS to analyze the outcomes of those surveys.

Effective April 24, the freeze ends. CMS will include inspections of nursing homes conducted on or after Nov. 28, 2017 into its overall star rating calculation. As it was prior to the freeze, ratings are again based on three cycles of inspections -- the three most recent standard inspections and any complaint inspections occurring within the past three years.

The cycles will return to pre- freeze weightings, with the most recent period (cycle 1) assigned a weighting factor of 1/2 the previous period (cycle 2) with a weighting factor of 1/3, and the third period (cycle 3) having a weighting factor of 1/6 of the health inspection score. The total points accumulating from survey results will, as always, be applied against state-specific "cut points" established by CMS.

Example: A nursing home's three most recent standard re-certification surveys are dated Dec. 1, 2018, Nov. 1, 2017, and Oct. 1, 2016. During the freeze, CMS did not include the Dec. 2018 survey in the health inspection rating. Effective April 24, the Dec. 2018 survey will be counted toward the nursing home's health inspection rating with a weighting factor of ½.

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STAFFING

There are a couple of significant changes to how staffing is measured and scored under the Five-Star rating system. The overall affect of these changes, at least initially, will be to reduce the average number of staffing stars that nursing homes receive.

The most significant change is a greater emphasis on RN staffing as opposed to overall nursing department staffing. This change takes a couple of different forms:

- CMS has developed new cut points for RN staffing stars, which will have the greatest impact on your star rating. While what is reported in Nursing Home Compare is a composite score, RN staffing and total nursing staffing are scored separately. The standards for each star level for RN staffing have increased 20-30% from the previous level, which will cause many nursing homes to drop by a star. The overall nursing staffing standards are also increasing, but only by a modest amount.

- CMS has changed the table for assigning stars based on the RN staffing and overall nurse staffing scores to base them more heavily on the RN score. This change will work with the new cut points for RN staffing to further magnify the impact of any change in a nursing home's RN staffing star score.

- CMS has tightened up the standard for assigning an automatic one-star score for lacking RN staffing every day. CMS is now automatically assigning one star to any nursing home that shows four or more days in a quarter where they had no RN staffing. This change is likely to lead to at least some additional nursing homes having a one-star score for staffing.

QUALITY MEASURES

According to CMS, the recent updates to the quality measures (QMs) will better identify differences in quality among nursing homes, raise expectations and incentivize nursing homes to continuously improve. To achieve this goal, CMS has instituted several key changes to the QMs, including: 1) separate ratings for short-stay and long-stay quality measures; 2) changes to the individual measures and the weighting of the measures included in the QM rating; and 3) more frequent adjustments to rating thresholds.

- *Separate short-stay and long-stay quality ratings*
  Most nursing homes will have three QM ratings – a short-stay rating, a long-stay rating, and an overall QM rating. The short-stay and long-stay ratings will be adjusted to ensure each contributes equally to the overall QM score. For nursing homes with only long-stay or short-stay QMs, the overall QM rating is equal to their long-stay or short-stay QM rating.

- *Changes to the individual measures, and the weighting of measures, included in the QM rating*
  Two long-stay measures have been added to the quality measure rating: hospitalization and emergency department visits. The long-stay physical restraints measure has been removed from the quality measure rating. The short-stay pressure ulcer and short-stay discharge community measures have been replaced with their comparable Quality Reporting Program measures.

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Two different set of weights will be assigned to each individual measure. The maximum number of points that can be earned for an individual measure is either 100 or 150 points based on the opportunity for nursing homes to improve on the measure and the clinical significance of the measure.

The measures assigned a 150-point maximum score are included below. Scores for these measures are distributed in 10 different point ranges (deciles) based on the national distribution of scores on a given measure. Nursing homes in the lowest performing decile receive 15 points for that measure and points increase by 15 points for each of the 10 levels with a maximum of 150 points for the highest performing nursing homes.

- **Long-Stay Measures with 150-point maximum score:**
    - ADL Worsening (MDS)
    - Antipsychotic medication (MDS)
    - Mobility decline (MDS)
    - Hospitalizations (claims)
    - ED visits (claims)

- **Short Stay Measures with 150-point maximum score:**
    - Functional Improvement (MDS)
    - Re-hospitalization (claims)
    - ED visit (claims)
    - Return to community (claims)

Measures with 100-point maximum score are included below. Scores are distributed in five different point ranges (quintiles) based on the national distribution of scores on a given measure. Nursing homes in the lowest performing quintile receive 20 points for that measure and points increase by 20 points for each of the five levels with a maximum of 100 points for the highest performing nursing homes.

- **Long-Stay Measures with 100-point maximum score:**
    - Pain (MDS)
    - Pressure Ulcers (MDS)
    - Catheter Insertion (MDS)
    - Urinary tract infections (MDS)
    - Falls (MDS)

- **Short Stay Measures with 100-point maximum score:**
    - Pain (MDS)
    - Pressure Ulcers (MDS)
    - Antipsychotic medication (MDS)

- *More frequent adjustments to the thresholds*
  With the April 24 changes, rating thresholds were adjusted based on improvements in the QMs that have occurred since July 2016. CMS will continue to monitor trends in QM performance and will likely adjust the thresholds more frequently moving forward to encourage nursing homes to continue to improve the quality of care.

  Additional details and current (as of April 2019) points ranges for the QM Ratings are provided in the Five-Star Users Guide - Pages 11 – 17.

  Recommendation: CMS warns that the changes to the performance thresholds and methodology in the QM Domain may result in many nursing homes experiencing a decline in their ratings until further improvements are put in place within their organizations. It will be important to consider the weighting of the QMs during prioritization of improvement efforts and to continuously monitor performance on all measures to identify opportunities for improvement with CMS continuing to raise the bar on performance expectations.

HOW TO TALK ABOUT THESE CHANGES

Payers and the public are increasingly using a provider's Five-Star ratings to make decisions. When these ratings change, it can create questions from your staff or your Board, residents and families, referral partners, health plans or other stakeholders. The April 24 change is likely to generate substantial questions due to how many scores will change.

Here are some suggested talking points based on your results:

If your April 24 score is the same or higher-

- Identify how the individual Inspections, Staffing and QM domain scores have changed, and how those contribute to your overall score. If a strong recent survey result boosted your overall score, but the CMS policy changes have affected your Staffing or QM score, take note of that and be prepared to address questions, if asked.
- Talk about how your staffing and/or quality measures scores stayed at a high level even though the scoring system changed to make it harder to achieve those levels
- Emphasize your success at receiving a positive health inspection ranking despite the challenges posed by the new survey process

If your April 24 score dropped-

- Identify how the individual Inspections, Staffing and QM domain scores have changed, and how those contribute to your overall score.
- If the drop was due to the addition of results from a survey that occurred during the freeze, talk about actions you have taken to address the issues raised in that survey and that you anticipate receiving a better ranking on your next survey.
- If the drop was due to staffing and/or quality measures, talk about how CMS has changed the standards for those measures, so you lost stars despite have no changes in quality. Also, discuss what you are doing to make investments in improvements that should improve your future scores.

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REFERENCES

- CMS Quality, Safety & Oversight Group Memorandum (QSO-19-08-NH), *April 2019 Improvements to Nursing Home Compare and the Five Star Rating System*

- Five Star Quality Rating System Technical User's Guide

For more information about this Issue Paper or the Five-Star Quality Rating System, contact Jeff Bostic (jbostic@leadingagemn.org).