Quality Metrics in Post-Acute Care:

FIVE-STAR QUALITY RATING SYSTEM

Nicholas G. Castle, Ph.D.

CastleN@Pitt.edu

Department of Health Policy and Management,
Graduate School of Public Health, University of Pittsburgh
94% of nursing homes cited as deficient.

Care Home Problems Blamed on Staffing

Serious Deficiencies in NHs Are Often Missed, Report Says

90 Percent of Nursing Homes Cited for Violations
Percentage of Nursing Home Surveys Resulting in a Deficiency for Actual Harm or Immediate Jeopardy by State in 2012:
Percentage of Nursing Home Surveys Resulting in Zero Deficiencies by State: United States, 2012
Does Poor Quality Exist?

Percent Catheter Use Over Time

Year (source OSCAR data)
Does Poor Quality Exist?

Percent Pressure Ulcers Over Time

Year (source OSCAR data)
Does Poor Quality Exist?

Percent Antipsychotic Use Over Time

Year (source OSCAR data)

- 2003: 24.95%
- 2004: 26.15%
- 2005: 26.03%
- 2006: 25.67%
- 2007: 25.16%
- 2008: 24.77%
- 2009: 24.45%
- 2010: 24.60%
- 2011: 24.55%
Does Poor Quality Exist?

Percent Physical Restraint Use Over Time

Year (source OSCAR data)

2003: 8.20%
2004: 6.96%
2005: 6.88%
2006: 6.29%
2007: 5.46%
2008: 4.44%
2009: 3.67%
2010: 3.02%
2011: 2.84%
Does Poor Quality Exist?

Percent Restraint FREE Facilities Over Time

Year (source OSCAR data)
Does Quality Vary?

<table>
<thead>
<tr>
<th>State</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL</td>
<td>2</td>
</tr>
<tr>
<td>AR</td>
<td>4</td>
</tr>
<tr>
<td>AZ</td>
<td>4</td>
</tr>
<tr>
<td>CA</td>
<td>3</td>
</tr>
<tr>
<td>CO</td>
<td>4</td>
</tr>
<tr>
<td>CT</td>
<td>3</td>
</tr>
<tr>
<td>DE</td>
<td>3</td>
</tr>
<tr>
<td>FL</td>
<td>2</td>
</tr>
</tbody>
</table>
Does Quality Vary?

STATE RANKS: 1 – 5
(5 as best)

NJ = 3
Can Nursing Homes Improve Quality?

• Quality is never an accident. It is always the result of intelligent effort. (John Ruskin)

• Maybe Report Cards are intelligent effort?

• Maybe 5-STAR is an intelligent effort?
  • (work with CMS)
Introduction:

• CMS launches a quality initiative in November 2002:
  • Publication of clinical Quality Measures (QMs) and other information; AND
  • Quality Improvement Organizations to work with nursing home
    - Nursing Home Compare (NHC)
    - Core Quality Measures (QMs)
Introduction:

Long stay residents
- Loss in basic daily tasks
- Pressure sores
- Pressure sores, risk-adjusted
- Pain
- Physical restraints
- Infection

Short stay residents
- Delirium
- Delirium, risk-adjusted
- Pain
- Walk as well or better
Significance:

- MULTIPLE GOALS
- Consumers
  - Help search for a provider
  - Monitoring of ongoing care
  - Resident/Family education
- Providers
  - Quality improvement
- Regulators
  - Market efficiency
- NOW POSSIBLE CONTRACTS
  - CAN ONE SYSTEM ACHIEVE ALL OF THIS?
May 2013, there were 143,000 visits to Nursing Home Compare (112,000 unique users)

April 2013, over 40,000 visitors completed the website goals
- landing page,
- enter search,
- select nursing homes, and
- compare
Significance:

- 800,000 residents enter a nursing home for the first time each year.

Information presented must be:

1. clear and easy to use;
2. address diversity among the target audience;
3. help consumers understand key fundamentals;
4. assist consumers to determine and differentiate among their preferences;
5. minimize cognitive complexity;
6. help consumers understand how and why to use quality information; and,
7. present the material in short, manageable segments.

MAYBE ASKING TOO MUCH FROM 5-STAR?
Significance:

CAUTION: “No rating system can address all of the important considerations that go into a decision about which nursing home may be best for a particular person.” CMS, 2015
Overview of Five-Star

• NOT A SINGLE MEASURE OF QUALITY
• CMS calculates star ratings for three domains of nursing home quality:

1) health inspections results;
2) Staffing (2 measures); and
3) quality measures (QMs).
A good measure:

- Is quantitative
- Is easy to understand
- Encourages appropriate behavior
- Is visible
- Is defined mutually understood
- Encompasses outputs and inputs
- Measures only what is important
- Is multidimensional
- Uses economies of effort
- Facilitates trust

Description:

The measure can be expressed as an objective value. The measure conveys at a glance what it is measuring, and how it is derived. The measure is balanced to reward productive behavior and discourage “game playing.” The effects of the measure are readily apparent to all involved in the process being measured. The measure has been defined by and/or agreed to by all key process participants (internally and externally). The measure integrates factors from all aspects of the process measured. The measure focuses on a key performance indicator that is of real value to managing the process. The measure is properly balanced between utilization, productivity, and performance, and shows the trade-offs. The benefits of the measure outweigh the costs of collection and analysis. The measure validates the participation among the various parties.
Scientific Soundness: Measure Properties

*Reliability* - the results of the measure are reproducible for a fixed set of conditions irrespective of who makes the measurement or when it is made; reliability testing is documented.

*Validity* - the measure truly measures what it purports to measure; validity testing is documented.

*Allowance for patient/consumer factors as required* - the measure allows for stratification or case-mix adjustment if appropriate.

*Comprehensible* - the results of the measure are understandable for the user who will be acting on the data.
FIVE-STAR:

• A one-star rating designates poorest performance and a five-star rating designates highest performance.
• CMS also generates an overall quality rating that is a composite of the three individual domains.
• The health inspection rating is the most heavily weighted component of the overall
• COMPREHENSIBLE?
Scientific Soundness: Measure Properties

**Reliability** - the results of the measure are reproducible for a fixed set of conditions irrespective of who makes the measurement or when it is made; reliability testing is documented.

**Validity** - the measure truly measures what it purports to measure; validity testing is documented.

**Allowance for patient/consumer factors as required** - the measure allows for stratification or case-mix adjustment if appropriate.

**Comprehensible** - the results of the measure are understandable for the user who will be acting on the data.
FIVE-STAR:

- RELIABILITY

- Based on Survey Inspection
  - Staffing 2 weeks
  - Staffing (definitions)
    - Subject to potential gaming (?)

- MDS
  - Better facilities may complete better
  - Clinical measures (mostly)
    - Underspecified
    - >12 million assessments are used!
Scientific Soundness: Measure Properties

**Reliability** - the results of the measure are reproducible for a fixed set of conditions irrespective of who makes the measurement or when it is made; reliability testing is documented.

**Validity** - the measure truly measures what it purports to measure; validity testing is documented.

*Allowance for patient/consumer factors as required* - the measure allows for stratification or case-mix adjustment if appropriate.

**Comprehensible** - the results of the measure are understandable for the user who will be acting on the data.
FIVE-STAR:

• VALIDITY

• Score cut-off arbitrary
  • Difference between 5-star and 4-star?
    • May not have much meaning

• Scores subject to change
  • SEE Following slides
Change in Ratings: 2009-2012

- There have been increases in the proportion of four and five-star facilities.
- Decline in the proportion of one-star facilities.
- Change in distribution of ratings has been largest for the QM rating.
  - POSSIBLE issue with QMs?
Change in Overall Rating: 2009-2012

Increase at the top of the scale and decrease at bottom

SOURCE: Abt Associates
“Little” increase at the top of the scale and little decrease at bottom

SOURCE: Abt Associates
“Little” increase at the top of the scale and little decrease at bottom

SOURCE: Abt Associates
“Increase at the top of the scale and decrease at bottom”

SOURCE: Abt Associates
Change in QM Rating: 2009-2014

“Increase at the top of the scale and decrease at bottom

SOURCE: Abt Associates
Where are we: Figures for 2014

<table>
<thead>
<tr>
<th></th>
<th>★</th>
<th>★★</th>
<th>★★★</th>
<th>★★★★</th>
<th>★★★★★</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall</strong></td>
<td>14.4%</td>
<td>19.8%</td>
<td>20.7%</td>
<td>26.6%</td>
<td>18.5%</td>
</tr>
<tr>
<td><strong>Health Inspections</strong></td>
<td>19.5%</td>
<td>22.8%</td>
<td>23.6%</td>
<td>23.5%</td>
<td>10.6%</td>
</tr>
<tr>
<td><strong>Quality Measures</strong></td>
<td>7.9%</td>
<td>15.8%</td>
<td>22.7%</td>
<td>33.4%</td>
<td>20.1%</td>
</tr>
<tr>
<td><strong>Staffing</strong></td>
<td>13.2%</td>
<td>15.7%</td>
<td>20.7%</td>
<td>40.5%</td>
<td>9.9%</td>
</tr>
<tr>
<td><strong>RN Staffing</strong></td>
<td>12.1%</td>
<td>17.8%</td>
<td>26.9%</td>
<td>24.9%</td>
<td>18.3%</td>
</tr>
</tbody>
</table>

Nearly 50% are at the top of the scale

SOURCE: Abt Associates
Overview of Five-Star

• Can we explain this?
• Is it due to an improvement in quality?
• Does it follow any pattern / theory?
Ratings Are Higher for Non-Profit Facilities

<table>
<thead>
<tr>
<th></th>
<th>★</th>
<th>★★</th>
<th>★★★</th>
<th>★★★★</th>
<th>★★★★★</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For-profit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>17.6%</td>
<td>21.8%</td>
<td>21.4%</td>
<td>24.7%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Health Inspections</td>
<td>21.7%</td>
<td>24.1%</td>
<td>24.0%</td>
<td>21.8%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Quality Measures</td>
<td>8.1%</td>
<td>16.3%</td>
<td>22.9%</td>
<td>32.9%</td>
<td>19.8%</td>
</tr>
<tr>
<td>Staffing</td>
<td>16.8%</td>
<td>18.7%</td>
<td>23.1%</td>
<td>36.2%</td>
<td>5.2%</td>
</tr>
<tr>
<td>RN Staffing</td>
<td>15.0%</td>
<td>20.1%</td>
<td>28.6%</td>
<td>23.9%</td>
<td>12.5%</td>
</tr>
<tr>
<td><strong>Non-profit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>6.7%</td>
<td>14.6%</td>
<td>18.4%</td>
<td>31.4%</td>
<td>28.9%</td>
</tr>
<tr>
<td>Health Inspections</td>
<td>13.9%</td>
<td>18.7%</td>
<td>22.5%</td>
<td>28.2%</td>
<td>16.7%</td>
</tr>
<tr>
<td>Quality Measures</td>
<td>7.0%</td>
<td>14.0%</td>
<td>22.0%</td>
<td>35.0%</td>
<td>22.0%</td>
</tr>
<tr>
<td>Staffing</td>
<td>5.0%</td>
<td>8.7%</td>
<td>15.3%</td>
<td>50.9%</td>
<td>20.0%</td>
</tr>
<tr>
<td>RN Staffing</td>
<td>5.4%</td>
<td>12.2%</td>
<td>23.1%</td>
<td>27.6%</td>
<td>31.6%</td>
</tr>
<tr>
<td><strong>Government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>9.8%</td>
<td>17.2%</td>
<td>22.2%</td>
<td>28.8%</td>
<td>21.9%</td>
</tr>
<tr>
<td>Health Inspections</td>
<td>17.1%</td>
<td>23.8%</td>
<td>23.6%</td>
<td>24.2%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Quality Measures</td>
<td>10.6%</td>
<td>18.0%</td>
<td>23.4%</td>
<td>31.7%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Staffing</td>
<td>4.7%</td>
<td>8.9%</td>
<td>14.7%</td>
<td>47.3%</td>
<td>24.5%</td>
</tr>
<tr>
<td>RN Staffing</td>
<td>5.7%</td>
<td>14.0%</td>
<td>23.4%</td>
<td>24.4%</td>
<td>32.5%</td>
</tr>
</tbody>
</table>

**Figures for 2014**
FP 39% vs. NFP 60%
Follows Theory

**SOURCE:** Abt Associates.
Ratings are Higher for Small Facilities

<table>
<thead>
<tr>
<th></th>
<th>★</th>
<th>★★</th>
<th>★★★</th>
<th>★★★★</th>
<th>★★★★★</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer than 50 beds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>5.3%</td>
<td>11.1%</td>
<td>16.0%</td>
<td>29.9%</td>
<td>37.7%</td>
</tr>
<tr>
<td>Health Inspections</td>
<td>10.3%</td>
<td>15.4%</td>
<td>21.5%</td>
<td>29.1%</td>
<td>23.6%</td>
</tr>
<tr>
<td>Quality Measures</td>
<td>11.8%</td>
<td>15.3%</td>
<td>19.7%</td>
<td>27.3%</td>
<td>25.9%</td>
</tr>
<tr>
<td>Staffing</td>
<td>3.3%</td>
<td>7.0%</td>
<td>12.3%</td>
<td>42.6%</td>
<td>34.7%</td>
</tr>
<tr>
<td>RN Staffing</td>
<td>3.5%</td>
<td>6.9%</td>
<td>13.4%</td>
<td>25.9%</td>
<td>50.4%</td>
</tr>
<tr>
<td>200 or more beds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>19.3%</td>
<td>25.4%</td>
<td>20.5%</td>
<td>22.4%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Health Inspections</td>
<td>27.9%</td>
<td>27.1%</td>
<td>22.7%</td>
<td>17.5%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Quality Measures</td>
<td>3.6%</td>
<td>12.6%</td>
<td>20.9%</td>
<td>36.8%</td>
<td>26.0%</td>
</tr>
<tr>
<td>Staffing</td>
<td>18.7%</td>
<td>19.3%</td>
<td>21.1%</td>
<td>36.3%</td>
<td>4.6%</td>
</tr>
<tr>
<td>RN Staffing</td>
<td>15.6%</td>
<td>18.9%</td>
<td>32.0%</td>
<td>22.3%</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

Figures for 2014
<50 beds 68% vs. >200 35%
Follows Theory

SOURCE: Abt Associates
Ratings Are Higher for Hospital-Based Facilities

<table>
<thead>
<tr>
<th></th>
<th>★</th>
<th>★★</th>
<th>★★★</th>
<th>★★★★</th>
<th>★★★★★</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Freestanding Homes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>15.0%</td>
<td>20.2%</td>
<td>20.7%</td>
<td>26.4%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Health Inspections</td>
<td>20.0%</td>
<td>23.1%</td>
<td>23.8%</td>
<td>23.3%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Quality Measures</td>
<td>7.3%</td>
<td>15.6%</td>
<td>22.5%</td>
<td>34.0%</td>
<td>20.6%</td>
</tr>
<tr>
<td>Staffing</td>
<td>13.8%</td>
<td>16.3%</td>
<td>21.4%</td>
<td>40.5%</td>
<td>7.9%</td>
</tr>
<tr>
<td>RN Staffing</td>
<td>12.6%</td>
<td>18.4%</td>
<td>27.8%</td>
<td>25.2%</td>
<td>16.0%</td>
</tr>
<tr>
<td><strong>Hospital-based Homes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>5.9%</td>
<td>13.0%</td>
<td>19.6%</td>
<td>30.8%</td>
<td>30.6%</td>
</tr>
<tr>
<td>Health Inspections</td>
<td>12.3%</td>
<td>17.3%</td>
<td>21.4%</td>
<td>27.2%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Quality Measures</td>
<td>17.6%</td>
<td>19.8%</td>
<td>25.6%</td>
<td>23.3%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Staffing</td>
<td>1.9%</td>
<td>5.2%</td>
<td>8.8%</td>
<td>39.7%</td>
<td>44.4%</td>
</tr>
<tr>
<td>RN Staffing</td>
<td>2.7%</td>
<td>7.1%</td>
<td>12.7%</td>
<td>20.1%</td>
<td>57.5%</td>
</tr>
</tbody>
</table>

Figures for 2014
FS 45% vs. HB 61%
Follows Theory

SOURCE: Abt Associates
Trends in Quality Measure Ratings: July 2012 – July 2013

1 STAR facilities at a very low level in July 2013 = a 4 STAR SYSTEM.

SOURCE: Abt Associates
FIVE-STAR:

• Concern about the distribution of QM ratings
  • A success of the program?
  • Regardless = now a failure of the scale?
  • Changes to the QM rating methodology?
Options to Change QM Rating Methodology

- Option 1: Reset the QM rating threshold to change the distribution of QM ratings
- Option 2: Different weighting for certain measures
- Option 3: Changes to the composite rating methodology
- Option 4: Changes to QMs used in Five-Star
Option 1: Reset the QM rating threshold to change the distribution of QM ratings

- Issue:
  - We don’t understand whether changes reflect real quality improvements or coding changes
  - 24 of 25 facilities surveyed showed errors in MDS coding
  - Rebasing the scores would not solve coding issues
Option 2: Different weighting for certain measures

- Pain
- Pressure Ulcers
- Physical Restraint Use
Option 2: Different weighting for certain measures: Restraint Use Example

Does it make sense to use when approx. 50% facilities are restraint free?
Option 3: Changes to the composite rating methodology

• Penalize facilities that have poor performance on individual QMs
  – 5-star facilities cannot be in the bottom quartile on any individual measure
  – Or, 5-star facilities cannot be in the bottom half on any individual measure
  – Approach “like” Net-Promoter Score (HBR)
    – (subtract poor scores from excellent scores)
Option 3: Changes to the composite rating methodology

• A measure of the ‘percent of residents with any poor outcome’
  – So combines poor outcomes across QMs
  – Reduce score accordingly (that would not be reduced on any single measure)
Option 3: Changes to the composite rating methodology: Example Change

- **Make Staffing Most Important**
  - Overall rating cannot be more than two stars higher than staffing
  - If staffing rating is 4 or 5 stars then add one star.
  - If staffing rating is 1 star then subtract one star.
Option 4: Add to QMs used in Five-Star

- Use hospital readmissions
  - (under development)
- Use current anti-psychotic medication
  QM
Option 4: Changes to QMs used in Five-Star

- Hospital readmission.
  - Hospital readmissions also put beneficiaries at risk for complications.
  - “Current” for healthcare environment changes
- Increasing 30-day readmission rate
  - 23.5% in 2006
  - An increase from 18.2% in 2000.
- Studies suggest that nursing homes can reduce rates of hospital readmissions.
  - (especially in NJ!)
Observed Readmission Rate: Facility Distribution

SOURCE: Abt Associates
Observed Readmission Rates: State Distribution

Considerable across-state Variation – rate in NJ is almost twice that of WY and SD.

SOURCE: Abt Associates
## Readmission Rates by Overall and QM Rating

**Nursing Facility 30-Day All Cause Readmission Rates by Overall and QM Rating (as of December 2011)**

<table>
<thead>
<tr>
<th>Overall Rating</th>
<th>Observed</th>
<th>Risk-standardized</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Star</td>
<td>22.0%</td>
<td>21.6%</td>
</tr>
<tr>
<td>2-Stars</td>
<td>20.9%</td>
<td>21.3%</td>
</tr>
<tr>
<td>3-Stars</td>
<td>20.2%</td>
<td>21.2%</td>
</tr>
<tr>
<td>4-Stars</td>
<td>18.9%</td>
<td>20.9%</td>
</tr>
<tr>
<td>5-Stars</td>
<td>17.7%</td>
<td>20.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>QM Rating</th>
<th>Observed</th>
<th>Risk-standardized</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Star</td>
<td>20.6%</td>
<td>21.3%</td>
</tr>
<tr>
<td>2-Stars</td>
<td>20.4%</td>
<td>21.3%</td>
</tr>
<tr>
<td>3-Stars</td>
<td>20.0%</td>
<td>21.1%</td>
</tr>
<tr>
<td>4-Stars</td>
<td>19.7%</td>
<td>21.1%</td>
</tr>
<tr>
<td>5-Stars</td>
<td>19.2%</td>
<td>20.9%</td>
</tr>
</tbody>
</table>

Source: Abt Analysis of Readmission file from RTI and December 2011 Rating file

---

**Readmission rate is associated with current QM rating**

SOURCE: Abt Associates
The Quality Porcupine

- Real-time information
- Data Sources
- Degree of “adjustment”
- Scale used
- Understandability
- Type: Structure, process, outcome
- Parsimony vs. Completeness
- Population
- Orthogonal
CMS Changes

• Changes took effect February 20th 2015
• Overall Five Star rating
  – No changes to methodology but changes to Staffing and Quality Measure (QM) components will impact overall rating
• Survey component
  – No changes
• Staffing component
  – Changed how 3 and 4 star ratings are determined on Staffing component
• Quality Measure component
  – Add two new quality measures
  – Reset the cut points to achieve each star rating

SOURCE: AHCA
SIGNIFICANCE

- Good likelihood that Star Ratings will change for many facilities
- New ratings cannot be compared to old ratings
- Changes do not reflect changes in quality (but changes in methodology)
- Organizations (e.g. MCOs, etc) using Five Star need to note that changes do not reflect changes in quality

SOURCE: AHCA
OVERALL Scoring Methodology
NO CHANGE

Remains the same: NO CHANGES

Step 1: Initial star rating based on Survey Score
Step 2: Add or subtract one Star based on Staffing component
    ✓ Subtract 1 star if staffing rating is 1 star
    ✓ Add 1 star if staffing is 4 or 5 stars and higher than Survey rating
Step 3: Add or subtract one additional Star based on QM component
    ✓ Subtract 1 star if QM rating is 1 star
    ✓ Add 1 star if QM rating is 5 stars

NOTE: The changes to Staffing and QM component CAN impact your overall rating

SOURCE: AHCA
SURVEY Component Methodology

NO CHANGE

Step 1: Calculate weighted 3 year average survey score

Step 2: Rank all centers within each state based on their scores

Step 3: Assign one to five stars based on ranking (see next slide) within each state

Implications of new system vs old system: NONE

SOURCE: AHCA
Survey Component Star Rating

Percent of Facilities Survey Star Rating Ranked within each State

Top 10 percent (facilities with lowest survey score) within a State

Bottom 20 percent within a State

Percentiles

<20  
≥20 and <43.33  
≥43.33 and <66.67  
≥66.67 and <90  
≥90

SOURCE: AHCA
STAFFING Component Rating Methodology

Step 1: Calculate risk adjusted staffing based on RN and total Direct Care Staff (DCS) levels
   - No change
Step 2: Compare to risk adjusted cut-points to assign stars for RN and for DCS
   - No change

SOURCE: AHCA
STAFFING Component Rating Methodology

Step 3: Compare the RN and DCS staff ratings to assign a Staffing component star rating

- Changed the criteria to achieve 3 or 4 stars;
- A rating of 3 stars on both RN and DCS no longer results in 4 stars; now it equals 3 stars for the staffing component
STAFFING Component Rating Methodology

• Quarterly electronic reporting of payroll
  – Select facilities at first, with full roll out expected
  – Reported staffing levels auditable back to payroll (VARIATION IN SYSTEMS)
  – Allows CMS to calculate QMs for staff turnover / retention
  – Report types and levels of staffing for each facility

SOURCE: AHCA
Implications of Staffing Component Changes

- Changes in star rating for **Staffing component** will result in
  - Drop in the number of SNFs achieving 4 stars
  - Increase in the number of SNFs achieving 3 stars
  - No changes in the number of SNFs achieving 1, 2 or 5 Stars

- Impact on SNFs’ **Overall** Five Star rating
  - Those SNFs that drop from 4 to 3 starts on their staffing component will lose 1 star from their previous overall rating

SOURCE: AHCA
QM Component Changes

- Add two new measures to QM component
  - Long Stay use of antipsychotics
  - Short Stay use of antipsychotics
  - Identical to QM currently on Nursing Home Compare

- Reset the cut points for star assignments on QM component back to 2013 Q3

- Adjusted the method for assigning points for each QM to fixed cut points based on quintiles

SOURCE: AHCA
QM Component Changes

• Additional QMs (Future?)
  – Re-hospitalizations (up to 30 days post discharge)
  – Return to community rates
  – Turnover
Impact on your ratings

• Changes for the **quality measures component** will result in:
  – Some SNFs dropping their ratings from 5, 4, 3 or 2 stars
  – Increase in the number of SNFs achieving 1 Star

• Impact on SNFs’ **Overall** Five Star rating:
  – SNFs that drop from 5 to 4 stars on their QM component will lose 1 star from their overall rating
  – SNFs that drop from 3 or 2 stars to 1 star on their QM component will lose 1 or 2 stars from their overall rating
  – A few SNFs will lose 2 or more stars if their antipsychotic rates are very high
  – A handful of SNFs will gain a star if their antipsychotic rates are very low

**SOURCE:** AHCA
Distribution of QM Stars in NJ

Distribution of QM Stars in NJ and the Nation in January and February 2015

<table>
<thead>
<tr>
<th>5-Star Quality</th>
<th>Percentage of Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>3</td>
<td>10%</td>
</tr>
<tr>
<td>4</td>
<td>20%</td>
</tr>
<tr>
<td>5</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: PointRight
Distribution of Staffing Stars in NJ

Source: PointRight
Distribution of Overall Stars in NJ

Source: PointRight