

PUBLICATION

CMS Brings Changes to Nursing Home Compare and Five-Star Ratings in April 2019

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On April 11, 2019, CMS announced updates to Nursing Home Compare and the Five-Star Quality Rating System. The Nursing Home Compare website contains data, including quality measures and staffing information, for more than 15,000 nursing homes around the country. The star rating provides a "snapshot" of the quality of each nursing home.

CMS is making changes to the quality component on Nursing Home Compare that would improve identifying differences in quality among nursing homes, raise expectations for quality, and incentivize continuous quality improvement. This article provides a brief overview of these changes.

The Nursing Home Compare website and Five-Star Quality Rating System were created in 1998 to help consumers and their families find a nursing home and to encourage nursing homes to achieve higher quality through public reporting of nursing home performance. But these data and rankings have broader significance. Five Star rankings are also used by CMS in evaluating providers for participation in alternate payment and bundled payment projects. Commercial payers may use similar metrics for credentialing. Hospital network contracts sometimes use Five Star rankings as a threshold for participation in their networks. Lenders may look to such rankings as well. Accordingly, providers should be aware of these recent changes.

The [Nursing Home Compare website](#) features a quality rating system that gives each nursing home a rating of between one and five stars. Nursing homes with five stars are considered to have quality that is much above average, and nursing homes with one star are considered to have quality much below average.

There is one overall five-star rating for each nursing home and a separate rating for each of the following three factors:

- *Health Inspections:* Inspections include the findings on compliance with Medicare and Medicaid health and safety requirements from onsite surveys conducted by state survey agencies at nursing homes.
- *Staffing Levels:* The staffing levels are the numbers of nurses available to care for patients in a nursing home at any given time.
- *Quality Measures:* The quality of resident care measures are based on resident assessment and Medicare Minimum Data Set (MDS) claims data.

2019 Changes

The 2019 changes affected all domains of the Five-Star Quality Rating System. While this article provides a brief overview of the changes, full details are described in the relevant sections of this updated document and are described in the Five-Star Users' Guide.

Health Inspection Domain: The methodology for the health inspection rating returned to what it was prior to February 2018. Specifically, results from the three most recent standard health inspections and 36 months of complaint inspections will be used to calculate the health inspection score and determine the health inspection rating.

In 2018, CMS had implemented a temporary "freeze" of the health inspection domain of the Nursing Home Five-Star Quality Rating System by holding each facility's health inspection rating constant for approximately one year. CMS "froze" the health inspection star ratings category after implementing a new survey process for long term care facilities. Because facilities receive surveys at different times, some facilities would have been surveyed under the old process and others under the new process. Without placing a "freeze" on health inspection star ratings, the facilities would have been scored using two different evaluation processes, making the outcomes misaligned and the data inaccurate.

The April 2019 changes include a lift of the "freeze" on the health inspection ratings. Beginning in April, consumers will be able to see the most up-to-date status of a facility's compliance, which is a very strong reflection of a facility's ability to improve and protect each resident's health and safety.

Staffing Domain: CMS is setting higher thresholds and evidence-based standards for nursing homes' staffing levels. CMS found that as staffing levels increase, quality increases.

In recognition of the importance of RN staffing, the method by which the RN staffing rating and the total nurse staffing rating are combined is changing to provide more emphasis on RN staffing. The overall staffing rating is assigned based on the combination of the total staffing and RN staffing ratings. The staffing level required to receive a five-star rating is determined based on analyses of the relationship between staffing levels and measures of nursing home quality. Rating cut points are set using a percentile-based method that was developed taking account of clinical evidence on the relationship between staffing and quality.

The rating system now assigns an automatic one-star rating when a Nursing Home facility reports "no registered nurse is onsite." Previously, facilities that reported *seven* or more days in a quarter with no registered nurse onsite are automatically assigned a one-star staffing rating. In April 2019, the threshold for the number of days without an RN onsite in a quarter that triggers an automatic downgrade to one-star will be reduced from seven days to *four* days.

CMS conducts audits of nursing homes to verify the data submitted and to ensure accuracy. Facilities that fail to respond to these audits and those for which the audit identifies significant discrepancies between the hours reported and the hours verified will receive a one-star rating for overall staffing and RN staffing for three months from the time at which the deadline to respond to audit requests passes or discrepancies are identified.

Quality Measures Domain: A set of quality measures (QMs) developed from Minimum Data Set (MDS) and Medicare claims data is used to describe the quality of care provided in nursing homes. These measures address a broad range of function and health status indicators.

The scoring rules for the quality measures were changed to give more weight to those measures with greater opportunity for improvement. There are also new point thresholds for the overall quality measure rating as well as the short-stay and long-stay ratings. Technical specifications for all of the measures are available [here](#).

The Nursing Home Compare website reports separate ratings for short-stay quality of resident care and long-stay quality of resident care in addition to an overall quality of resident care rating. Measures of long-stay hospitalizations and long-stay emergency department (ED) visits were added to the quality measure rating, and the long-stay physical restraints measure was dropped from the quality measure rating.

Can You Expect Changes in Your Star Ratings?

Facilities may see a change in their overall star rating for any number of reasons. Because the overall rating is based on three individual domains, a change in any one of the domains can affect the overall rating. Any new

data for a nursing home could potentially change a star rating domain. Providers can expect to see periodic changes in their ratings based on the criteria described next.

Health Inspection Rating Changes

Health inspection data will be included as soon as they become part of the CMS database so additional inspection data may be added to the database at any time. Events that could change the health inspection score include:

- A new health inspection;
- New complaint deficiencies;
- A second, third, or fourth revisit;
- Resolution of Informal Dispute Resolutions (IDR) or Independent Informal Dispute Resolutions (IIDR) resulting in changes to the scope and/or severity of deficiencies; or
- The "aging" of complaint deficiencies. Specifically, complaint investigations are assigned to a time period based on the most recent month period in which the complaint investigation occurred. Thus, when a complaint deficiency ages into a prior period, it receives less weight in the scoring process.

Staffing Rating Changes

CMS is highly focused on the positive correlation between nursing home staffing levels and resident outcomes. Staffing data are reported quarterly, so new staffing measures and ratings are calculated and posted quarterly. Changes in a nursing home's staffing measure or rating may be due to differences in the number of hours submitted for staff, changes in the daily census, or changes in the resident case-mix from the previous quarter.

The rating for staffing is based on two quarterly case-mix adjusted measures: total nursing hours per resident day (RN + LPN + nurse aide hours) and RN hours per resident day. The source for reported staffing hours is the Payroll-Based Journal (PBJ) system. (In 2018, CMS replaced the self-reported staffing data with data collected electronically through the Payroll-Based Journal (PBJ) system, which provides an unfiltered insight into the staffing of nursing homes.) These data are submitted quarterly and are due 45 days after the end of each reporting period.

Quality Measure (QM) Rating Changes

A set of quality measures (QMs) has been developed from Minimum Data Set (MDS) and Medicare claims data to describe the quality of care provided in nursing homes. These measures address a broad range of function and health status indicators. Changes in the quality measures may change your star rating.

Data for the MDS-based QMs and the claims-based hospitalization and ED visit measures are updated quarterly, and the QM rating is updated at the same time. The updates typically occur in January, April, July, and October at the time of the Nursing Home Compare website refresh. Technical specifications for all of the measures are available [here](#).

For more information on the changes to Nursing Home Compare and the Five-Star Quality Rating System, contact any member of Baker Donelson's [Long Term Care Group](#).