



April 2016

***Hospital Compare* Quality Star Ratings Background and Talking Points**

Background

On April 21, the Centers for Medicare & Medicaid Services will make public an overall hospital quality “star rating” to its *Hospital Compare* website. Hospitals had from Jan. 16 to Feb. 14 to confidentially preview their star rating performance. There are significant concerns about the accuracy and validity of CMS’s star rating approach. There is a letter/petition being signed to delay the release. Hospitals may wish to consider these shortcomings in determining how they may wish to publicize their star ratings.

How Overall Star Ratings Are Calculated - CMS has posted a full methodology, along with a factsheet and FAQ document on QualityNet. Hospitals will receive ratings of one to five stars – with five stars being the highest score – based on their performance on 62 measures selected from the hospital inpatient quality reporting (IQR) and outpatient quality reporting (OQR) programs. CMS places the selected measures into seven groups – mortality, safety, readmissions, patient experience, timeliness of care, effectiveness of care and imaging efficiency.

CMS has indicated it will update the star ratings using newer data on a regular basis. We anticipate the ratings will be updated quarterly in the first year and at other time intervals in the future. As a result, a hospital’s star rating is likely to change over time.

Distribution of Hospital Performance - CMS’s approach results in the following national distribution of performance on star ratings:

- 1 star – 142 hospitals (3.9%)
- 2 stars – 716 hospitals (19.6%)
- 3 stars – 1881 hospitals (51.6%)
- 4 stars – 821 hospitals (22.5%)
- 5 stars – 87 hospitals (2.4%)

Talking Points

- As a creator of *Hospital Compare*, the hospital field strongly supports transparency, and leads in sharing quality and safety information so that patients can make an informed choice about their health care.
- Hospitals support displaying quality information in an understandable, accessible way, but report cards must be designed with care.
- Some concerns stand out regarding the new *Hospital Compare* overall quality star ratings.
- The measures on *Hospital Compare* are not well suited to creating a single, methodologically sound representation of hospital quality. CMS did not select *Hospital Compare* measures to create a single score reflective of overall quality. Instead, CMS has used a set of measures created to meet specific legislated program needs, like the readmission measures, and others that were created for a variety of research and registry purposes.
- The overall star rating may not reflect the aspects of care most relevant to a particular patient's needs. Each individual patient's clinical diagnosis and circumstances are different, and as a result, the measures most relevant to their care may differ. For example, the heart attack mortality and readmission measure in the star rating likely would be irrelevant to a mother making decisions about where to give birth.
- The star rating approach magnifies the flaws and inaccuracies in several *Hospital Compare* measures, for example, the readmission measures fail to adjust for socioeconomic issues beyond hospitals' control, putting hospitals caring for poor communities at an unfair disadvantage.
- Smaller hospitals also may be challenged to appear as anything other than "average," or three stars. This is because smaller hospitals often have too few cases for CMS to consider their performance to be reliable. The statistical technique CMS uses to account for this blends the national average with a hospital's own performance to create a score – the lower the number of cases, the more a hospital's performance is pulled toward the average.
- The star ratings are of virtually no use to hospital quality improvement efforts because there is no 'line of sight' between a hospital's star rating and its performance on individual measures. Hospitals do not have access to the data CMS uses to perform this modeling, and as a result, they will be unable to correlate their actual numerical score on individual measures to the star rating they receive.
- CMS made impactful changes to the methodology between the time when hospitals and health systems could preview their rating and the final published star ratings. The changes have drastically altered some hospital and health system's star ratings. It was misguided for CMS to make such changes without providing hospitals an opportunity to review and comment on the new rating method.
- As with any rating or ranking system, patients should use all available tools at their disposal to identify which health care decisions are right for them. The new star ratings system is merely one tool patients can use when making health care decisions. Patients should consult with their physician, nurses and other health care providers to determine what facility best meets their needs.