



AMERICA'S ESSENTIAL HOSPITALS

August 17, 2015

Mr. Andrew M. Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Hubert H. Humphrey Building, Room 445-G
200 Independence Ave., SW
Washington, DC 20201

**Ref: Hospital Quality Star Ratings on Hospital Compare – Methodology
of Overall Hospital Quality Star Ratings**

Dear Mr. Slavitt,

Thank you for the opportunity to submit comments on the second report from the Centers for Medicare & Medicaid Services' (CMS) contractor tasked with developing an overall star rating system for the Hospital Compare website.

America's Essential Hospitals appreciates and supports CMS' work to encourage transparency in care delivery across the entire health care industry. However, under the proposed methodology for calculating Overall Hospital Quality Star Ratings (Overall Star Ratings), our research shows there is the distinct risk that larger hospitals, teaching hospitals, and hospitals serving a high proportion of low-income patients will receive lower star ratings while still providing quality care, often to the most vulnerable. In addition, the proposed methodology oversimplifies complex and individualized choices patients must make about their health.

America's Essential Hospitals is the leading association and champion for hospitals and health systems dedicated to high-quality care for all, including the most vulnerable. Filling a vital role in their communities, our more than 250 member hospitals provide a disproportionate share of the nation's uncompensated care and devote approximately half of their inpatient and outpatient care to Medicaid or uninsured patients. Through their integrated health systems, members of America's Essential Hospitals offer primary through quaternary care, including trauma care, outpatient care in ambulatory

clinics, public health services, mental health and substance abuse services, and wraparound services critical to vulnerable patients.

Members of America's Essential Hospitals work daily to improve care quality through a broad variety of initiatives—from reducing readmissions to preventing falls, blood stream infections, and other patient harm events. They have created programs to break down language barriers and engage patients and families to improve the care experience. As such, America's Essential Hospitals supports sharing meaningful hospital quality information with patients.

We ask that CMS consider the following comments when finalizing the methodology for the Overall Star Ratings.

1. CMS should ensure that Overall Star Ratings provide meaningful and accurate hospital quality information that helps patients make informed decisions and access quality health care.

Similar to its Compare websites for other health care facilities, CMS intends to give each hospital a score of one to five stars—with five stars being best—by combining scores of a select number of Hospital Compare measures. The proposed Overall Star Ratings will provide information patients can use when deciding where to receive care. If the information is not presented in a manner that is comprehensible and useful to patients, it can lead to misinformed choices.

- a. CMS should clarify how the Overall Star Ratings differ from existing star ratings and ensure that they do not oversimplify a complex and individualized decision—a patient's choice of care—while potentially exacerbating disparities in care.

Due to the relative newness of the CMS star rating system for hospitals, studies on its effectiveness on patient choice decisions and access to care are currently limited. Lessons learned from research on the star rating systems used in nursing homes might provide critical insights into its impact on health care quality in the hospital setting. One study, observed that the star rating system actually exacerbates disparities in care quality over time in nursing homes¹. In addition, researchers found that dual eligible patients benefit less than non-dual eligible patients from the star rating system.

America's Essential Hospitals analyzed CMS' June 2015 publicly reported star ratings of Hospital Consumer Assessment of Healthcare Providers and

¹ Tamara Konetzka R, Grabowski DC, Coca Perrailon M, Werner RM. Nursing Home 5-Star Rating System Exacerbates Disparities In Quality, By Payer Source. *Health Affairs*. 2015; 34(5):819-827

Systems (HCAHPS) patient experience data collected from October 1, 2013, to September 30, 2014. Our analysis found that certain types of hospitals were more likely than others to receive lower star ratings—specifically, larger hospitals, teaching hospitals, and hospitals serving a high proportion of low-income patients².

Research also has shown a greater likelihood of low HCAHPS star rating scores reported from patients admitted via the emergency department (ED), as patient-provider interactions often are more limited due to the stressful nature of the ED³. Hospitals with higher emergency department volumes may score lower despite the fact that their quality may be the same or better than hospitals with lower emergency department volumes. Such variation in star ratings, not based on the quality of a hospital itself, reflects a weakness of the star ratings system. We urge CMS to examine more closely the existing star ratings systems and the underlying data, with particular attention to the unintended effects on essential hospitals, which treat the most vulnerable. It is critical that the methodology adopted for Overall Star Ratings not result in hospitals receiving poor ratings due to factors unrelated to the quality of care they provide.

- b. CMS should be consistent and strategic in its design of the Overall Star Ratings calculation by selecting measures that reflect cross-cutting issues that affect many patients.

Under the proposed methodology for the Overall Star Ratings, CMS has chosen a select group of measures (75) from those currently listed on Hospital Compare, with an aim to generate a star rating based on measures that are actively collected and reported, widely available, suitable for combination, and interpretable by patient and consumers. While America's Essential Hospitals supports the underlying basis of CMS' selection criteria, we are not confident that the measures currently available on Hospital Compare enable CMS to create a single, methodologically sound rating of all aspects of hospital quality.

Although the intent of CMS, in developing an Overall Star Ratings system, is to provide patients with a simplified assessment of how hospitals perform overall on quality, each patient's circumstances are different and the quality measures most relevant to their care will differ. For example, a patient undergoing an orthopedic procedure will likely be interested in a hospital's complication rate after such a procedure, versus a patient making a decision of where to give birth. CMS should ensure that the methodology for the Overall Star Ratings results in patients receiving information, on coherent sets of

² Roberson B, Rangarao S, McFann T. The Relationship between Hospital Characteristics and CMS Star Ratings. America's Essential Hospitals. (pending publication Fall 2015).

³ Kahn SA, Iannuzzi JC, Stassen NA, Bankey PE, et al. Measuring satisfaction: factors that drive hospital consumer assessment of healthcare providers and systems survey responses in a trauma and acute care surgery population. Am Surg. 2015 May;81(5):537-43.

hospital quality measures, in a way that is most relevant to their individualized care choices.

2. CMS should only include reliable and valid measures in the calculation of Overall Star Ratings that account for the socioeconomic and demographic factors that complicate care for vulnerable patients.

The measures in the proposed Overall Star Ratings should be endorsed by the National Quality Forum (NQF). CMS should ensure the measure set, in its proposed state and as amended by any future addition or removal of measures, includes only NQF-endorsed measures that are valid and reliable, aligned with other existing measures, and risk adjusted for socioeconomic factors to accurately represent the quality of care essential hospitals provide. This is consistent with CMS alignment efforts on quality measures across settings and programs.

- a. CMS should adjust the measures for socioeconomic factors to accurately represent the quality of care delivered.

For measuring outcomes performance in the Overall Star Ratings, the CMS methodology for calculating measures should incorporate risk adjustment for socioeconomic factors so results are accurate and reflect differences in the patients being treated across hospitals. Without proper risk adjustment, an essential hospital, serving a disproportionate share of lower-income patients with confounding sociodemographic factors, might be rated lower for reasons outside its control⁴.

Race, homelessness, cultural and linguistic barriers, low literacy, and other socioeconomic factors can skew results on certain quality measures, such as those for readmissions. It is well known that patients who lack reliable support systems after discharge are more likely to be readmitted to a hospital or other institutional setting. These readmissions result from factors beyond the control of providers and health systems and do not reflect the quality of care provided⁵. Risk adjusting measures for these factors will ensure that patients receive accurate information about a hospital's performance. The failure to appropriately risk adjust outcome measures, which in turn are included in the calculations of Overall Star Ratings, can bias results and mislead patients.

⁴ Essential Hospitals Institute. Sociodemographic Factors Affect Health Outcomes. February 26, 2015. <http://essentialhospitals.org/institute/sociodemographic-factors-and-socioeconomic-status-ses-affect-health-outcomes/>. Accessed August 2015.

⁵ See, e.g., National Quality Forum Technical Report. Risk Adjustment for Socioeconomic Status or Other Sociodemographic Factors. August 2014. http://www.qualityforum.org/Publications/2014/08/Risk_Adjustment_for_Socioeconomic_Status_or_Other_Sociodemographic_Factors.aspx. Accessed August 2015.

- b. For performance calculations under the Overall Star Ratings methodology, CMS should include only NQF-endorsed measures that have been on inpatient/outpatient quality reporting (IQR/OQR) for at least one year.

CMS should not include measures in the Overall Star Ratings calculation until verifying they are properly constructed, thoroughly vetted and endorsed by the NQF, and publicly reported through IQR/OQR programs for at least one year. All existing measures, as well as new measures in future years, should be continuously reviewed to confirm they are still relevant and reliable. NQF endorsement is imperative to ensure measure validity and reliability, because the endorsement process requires that measures be fully vetted and approved through a consensus-building approach that involves the public and interested stakeholders. In requiring at least one year of public reporting prior to inclusion of any measure, CMS would ensure the agency has sufficient time to identify any unintended consequences of collecting the measure.

We urge CMS to consider the types of measures that will provide meaningful results that are most useful to patients and take into account the different factors that affect hospitals' performance outcomes.

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America's Essential Hospitals appreciates the opportunity to submit these comments. If you have questions, please contact Maryellen Guinan, Esq., policy analyst, at 202-495-3354.

Sincerely,

/s/

Beth Feldpush, DrPH
Senior Vice President of Policy and Advocacy