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## CMS' Five-Star Quality Rating System for Nursing Homes

Despite continued concerns from the long term care community, the Centers for Medicare & Medicaid Services ("CMS") recently implemented its Five-Star Quality Rating System, which provides ratings for the 15,800 nursing facilities that participate in the Medicare or Medicaid programs. The system assigns nursing facilities ratings from one to five stars based on health inspection surveys, staffing information, and quality of care measures. Nursing facilities with five stars are regarded as having above average quality, while nursing facilities with one star are regarded as having below average quality. The ratings are provided on CMS' Nursing Home Compare Web site at [www.medicare.gov](http://www.medicare.gov).

The system is designed so that each nursing home receives one overall rating, and separate ratings for each of the following three sources of information:

- Health Inspections, which includes information from the last three years of inspections, both standard surveys and any complaint surveys;
- Staffing, which includes information about the number of hours of care on average provided to each resident each day by nursing staff; and
- Quality Measures, which includes information on ten different physical and clinical measures for nursing home residents (e.g., prevalence of pressure sores).

In the first round of issuing quality ratings, approximately 12 percent of the nursing facilities received a full five star rating, while 22 percent only scored a one star. The remaining facilities were apparently distributed evenly among the two, three and four star ratings.

The American Health Care Association ("AHCA") has announced its position that the rating index 1) is based on a broken survey system that does not measure quality, 2) fails to include other important quality elements that help consumers make educated decisions, and 3) includes inaccurate data. It ultimately views the system as a forced simplification of an overly complex analysis. AHCA has had several meetings with CMS expressing its concern regarding the design and methodology of the system and has raised issues about the system being based on a flawed survey system, providing minimal information that is useful for the consumer, and confusing the already difficult decision of which facility best serves a particular consumer's situation.



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AHCA has also raised concerns about the staffing ratings being built on findings of a study completed eight years ago and one that does not take into account the culture change within long term care and shifts in the health care market overall. AHCA has issued its own materials regarding the system, including a Myths and Realities Guide, which can be found on its website at [www.ahcancal.org](http://www.ahcancal.org).

While CMS even admits on its website that there are limitations inherent in the new rating system, it appears that the system as currently designed is here to stay for at least a while, and there is no question the system will have a significant impact on consumer decisions. Many in the long term care industry have taken issue with the current system, but it is unclear whether those concerns will have any influence on the system's overall design and methodology.

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