



## What Quality Leaders Should Know about CMS's Overall Hospital Star Ratings



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The Centers for Medicare and Medicaid Services (CMS) Overall Hospital Star Ratings issued to the public on July 27 is the government's attempt to bring simplified consumer ratings to the public. While the industry generally supports meaningful information to help the public make informed health care decisions, the need for an easy system must be weighed with oversimplifying complicated decisions.

A survey of CMS preview reports for April and July from roughly 120 member hospitals and a study of the publicly available rankings by Vizient, Inc. revealed that the methodology used by CMS inappropriately impacted the ratings for hospitals, most significantly for academic medical centers (AMCs) and complex teaching hospitals. The main findings from Vizient's analysis included:

- AMCs and complex teaching hospitals were disproportionately represented as "Poorly Performing Hospitals" (1 or 2 stars out of 5)
- Unique AMC patient population characteristics were not considered. Characteristics such as multiple co-morbidities, acute patient transfers to a higher level of care and low socioeconomic status were not adequately accounted for or risk adjusted in key measures such as readmissions and mortality
- Improvement efforts hospitals made in April 2016 in key measure groups (roughly 64 percent of all groups) would not be reflected to the public for two more years due to data latency

As noted earlier, the current statistical methodology is the root of the challenges seen most frequently in AMCs but also in community hospitals. They include:

- Latent variable modeling which does not appear analytically appropriate for the data
- The weighting of the variables changes every quarter which is at too high of a frequency for a hospital to make meaningful change and see the results
- Multiple measures focused on the same condition in the safety and readmission domains so certain measures inappropriately influence the overall rating
- When looking at 30-day all-cause readmission rates, ratings need to adjust for socioeconomic status and health literacy
- No consideration of transfer status of patients. The entire quality of care rating is attributed to the last hospital to care for the patient.



While CMS' methodology isn't perfect, there are some takeaways from Vizient's analysis of the Star Rating preview reports that hospital leaders should consider to help guide performance improvement efforts and positively influence their future rating.

One of the key opportunities for AMCs and community hospitals is reducing readmissions. Key strategies to improve include completing a readmission risk assessment. Identify the patient cohort of frequently readmitted patients (more than three unplanned per year). Emergency department (ED) throughput is another area where there is opportunity to improve. Hospitals need to determine if general operations in the ED are creating a flow problem or if there is a lack of ICU or floor bed availability causing excessive boarding time in the ED. Patient experience is another area and key strategies include improving communication with the patient and clinicians. Utilizing bedside rounds that are ideally multidisciplinary has been shown to lead to great success.

Actionable information for the public as they make decisions about where to seek care should be available but unfortunately the ratings, as currently calculated, convey an inaccurate message about the quality of care being delivered by many facilities. Despite these shortcomings, hospitals should continue to focus on improvement in key areas of readmissions, throughput and patient experience.

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**About the author:** Blending clinical leadership and informatics experience, Dr. Levine oversees Vizient's Center for Advanced Analytics and Informatics, which is responsible for risk-adjustment and ranking methodologies as well as data governance. The Center brings together analytics from multiple supply and non-supply chain offerings to provide insights to members across the continuum of care. The Center also supports analytics for the Vizient Research Institute as well as the performance improvement activities.