

Five-Star Ratings for Home Health Agencies: The Next Step in Increased Regulatory Focus on HHAs

On December 11, 2014 CMS provided notice of its proposal to establish a five-star rating system for Medicare-participating home health agencies (HHAs). The ratings will appear on Home Health Compare starting in the summer of 2015 as part of CMS' plan to adopt star ratings across all Medicare.gov Compare websites. This is the latest step in an overall strategy outlined in the Affordable Care Act, calling for transparent, easily understood information on provider quality to be publically reported and made widely available.

What Measures Will Be Used to Calculate the Star Rating?

CMS currently reports 27 process, outcome and patient experience of care quality measures on the Home Health Compare website. The proposed star rating would become an additional measure available on the website. A fact sheet published by CMS also proposes a methodology for calculating the proposed home health star ratings (<http://cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2014-Fact-sheets-items/2014-12-11-2.html>). The proposed star rating methodology focuses on 10 of the 27 currently reported process and outcome quality measures. Those 10 measures are:

Process Measures:

- Timely initiation of care;
- Drug education on all medications provided to patient/care giver;
- Influenza immunization received for current flu season; and
- Pneumococcal vaccine ever received.

Outcome Measures:

- Improvement in ambulation;
- Improvement in bed transferring;
- Improvement in bathing;
- Improvement in pain interfering with activity;
- Improvement in dyspnea; and
- Acute care hospitalization.

CMS believes that the above measures meet the criteria for universal application to home health agencies because they apply to a substantial proportion of home health patients with sufficient data, they will show a reasonable amount of variation among agencies and allow for improvements in performance, they have a high face validity and clinical relevance and each measure is considered to be stable without substantial random variation over time.

What Methodology Will Be Used

The specific methodology for calculating the rating is found in CMS' fact sheet. In summary, in order to qualify to have a star rating, home health agencies must have reported data for 6 of the 10 process and outcome measures used in the calculation, for at least 20 patients. The methodology for calculating the rating will be based on a combination of individual measure rankings and the statistical significance of the difference between the

performance of an individual agency on each proposed measure (risk adjusted for outcome measures) and the performance of all home health agencies. After the quality measure values are compared to national averages and the rating is adjusted to reflect differences relative to other agencies' quality measure values, the ratings will be combined into one overall star quality measure rating summarizing each of the 10 individual measures.

Next Steps

As a next step, CMS plans to solicit stakeholder feedback on the proposed methodology, including the measures proposed for inclusion. HHAs should be aware of future CMS open door forums, the first one scheduled to occur on December 17, as well as a published list of frequently asked questions, which will be posted on the CMS website and updated periodically. Comments may also be provided to [HHC Star Ratings Helpdesk@cms.hhs.gov](mailto:HHC_Star_Ratings_Helpdesk@cms.hhs.gov). As a start, HHAs may consider suggesting that CMS publish a rating for each of the 10 quality measures as opposed to one overall average rating encompassing all measures.

If you have questions or need assistance regarding Five-Star Ratings for Home Health Agencies, please contact Mary Malone, Jeannie Adams, or Emily Towey at (866) 967-9604, or by email at mmalone@hdjn.com, jadams@hdjn.com, or etowey@hdjn.com. Additional information about Hancock, Daniel, Johnson & Nagle, P.C. is available on the firm's website at www.hdjn.com.

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