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CLIENT ADVISORY

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Significant Changes to Five-Star Quality Rating System for Nursing Facilities

On October 6, 2014, President Obama announced executive action to expand and strengthen Medicare's Five-Star Quality Rating System, particularly focusing on quality measures and staffing levels which have historically been self-reported by nursing facilities.

Beginning in January 2015, CMS will initiate steps to improve the reliability and utility of data displayed on Nursing Home Compare as follows:

- Effective January 2015, CMS will implement focused surveys nationwide for a sample of nursing facilities in each state. The surveys will focus on verifying performance on resident assessments and the data set used in reported quality measures.
- Using new funding provided by the IMPACT Act of 2014 also signed by the President on October 6, 2014, CMS will also implement a system of quarterly electronic reporting that is auditable back to payroll information to verify reported staffing information. CMS expects pilot testing will occur in fiscal year 2015 with nationwide reporting by all nursing facilities by the end of 2016.
- CMS also plans to revise the scoring methodology by which the five star rating is calculated, placing more emphasis on data that is verified by independent sources rather than self-reported data.
- The President's executive action also requires CMS to strengthen requirements that ensure states are completing inspections of nursing facilities in a timely and accurate manner and that states maintain a user-friendly website for public viewing.
- Finally, CMS will increase both the number and type of quality measures used in Nursing Home Compare. The first additional measure starting in January 2015, will be the extent to which anti-psychotic medications are in use. More measures will be added later, including data on rehospitalization and rates of returning beneficiaries to home.

While the Five-Star Rating System appeared to have fallen under the provider radar recently, this Executive Order shows that from the Administration's standpoint, it is anything but low profile. The Executive Order also continues to highlight continued emphasis on quality and accuracy of publically available information about nursing facilities. Providers should also watch for subtle changes in the survey process, news on changes to reporting requirements and even an increased awareness from the public regarding Five-Star rating.

If you have questions or need assistance regarding the Five-Star Quality Rating System for nursing facilities, 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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