

January 27, 2016

OVERALL HOSPITAL QUALITY STAR RATINGS COMING TO *HOSPITAL COMPARE* IN APRIL

The Issue:

In April, the Centers for Medicare & Medicaid Services (CMS) will add an overall hospital quality “star rating” to its *Hospital Compare* [website](#). Hospitals will receive ratings of one to five stars – with five stars being the highest score – based on their performance on selected measures from the hospital inpatient quality reporting (IQR) and outpatient quality reporting (OQR) programs. **Hospitals are strongly urged to confidentially preview their overall hospital quality star rating through Feb. 14 using the [QualityNet Secure Portal](#). Star ratings represent a change in how data on hospital performance are displayed – hospitals will not be expected to collect new data.**

CMS has posted a full methodology for calculating star ratings [here](#). To calculate each hospital’s star rating, CMS will place 57 measures from the IQR and OQR programs into seven groups – mortality, safety, readmissions, patient experience, timeliness of care, effectiveness of care and imaging efficiency. CMS will then apply a complex modeling technique known as a “latent variable model” to each of these measure groups. This approach assumes that there is an unmeasured, unobserved dimension of quality for each hospital that is reflected in its measure performance. In other words, the model assumes that one can make a more generalized judgment about a hospital’s overall quality using available measures, even if those available measures do not encompass all aspects of quality. CMS will calculate a latent variable value for each of the seven groups, and calculate a weighted average of these seven variables to determine how many stars a hospital receives.

CMS states that the April 2016 *Hospital Compare* release will show the following distribution of overall hospital star ratings nationally:

- 1 star – 142 hospitals (3.9%)
- 2 stars – 716 hospitals (19.6%)
- 3 stars – 1881 hospitals (51.6%)
- 4 stars – 821 hospitals (22.5%)
- 5 stars – 87 hospitals (2.4%)

Our Take:

While the AHA supports the concept of providing an easier way for patients and communities to understand quality data, we are concerned that an overall hospital star rating oversimplifies the complexity of delivering high-quality care. This is especially true because the measures in the IQR and OQR were not chosen with the intention of creating a single score reflecting all aspects of quality. For this reason, throughout 2015 – including in comments to the agency in [February](#) and [September](#) – the AHA advocated that CMS not adopt an overall star rating approach, and instead consider the use of star ratings on specific clinical conditions, such as cardiac care.

What You Can Do:

- ✓ **Hospitals are strongly urged to access their preview reports using the [QualityNet Secure Portal](#) by Feb. 14.** Additional information about how to access the preview reports is available [here](#).
- ✓ Share this advisory with your chief quality officer, clinical leadership and media relations team. Ask them to review the final methodology and your organization's current performance. The methodology can be accessed [here](#).
- ✓ Be prepared to speak to your performance improvement efforts related to the measures and topics in the star ratings.

The AHA will provide additional details as well as talking points to respond to media inquiries by early April.

Further Questions:

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