

# CMS Hospital Compare Star Ratings

## *Talking Points*

### BACKGROUND

In April, the Centers for Medicare & Medicaid Services delayed rollout of a new hospital “star rating” on its Hospital Compare website. Today, CMS posted the ratings to Hospital Compare.

The ranking system will rate most full-service hospitals from one to five stars, using a distribution method that places the majority of hospitals in the middle with three stars. Nationally, the rated hospitals will fall into one of the following categories. These categories differ from the distribution released in April.

April 2016 ratings	July 2016 ratings
1 star – 142 hospitals (3.9 percent)	1 star – 133 (2.9 percent)
2 stars – 716 hospitals (19.6 percent)	2 stars – 723 (15.7 percent)
3 stars – 1881 hospitals (51.6 percent)	3 stars – 1,770 (38.5 percent)
4 stars – 821 hospitals (22.5 percent)	4 stars – 934 (20.3 percent)
5 stars – 87 hospitals (2.4 percent)	5 stars – 102 (2.2 percent)

The launch of the rating system has been controversial. Nationally, hospitals have been critical of CMS’ use of a limited dataset to capture hospitals’ quality overall. In addition, although CMS is using several methods to adjust the data to assign a star rating, it has not taken sociodemographic status into consideration on measures that could be influenced by community setting in addition to hospital performance. This could affect hospitals’ ratings.

Between April and July, CMS has communicated very little about the star rating delay, changes to the data or methodology, or their plan to post the data to Hospital Compare.

CMS has [posted](#) a fact sheet and FAQs.

### Talking Points

- Missouri hospitals are committed to helping patients understand their care. To this end, the state’s hospitals have developed a Missouri-specific portal, [Focus on Hospitals](#), to increase price, quality and community investment transparency.
- Hospitals support Hospital Compare by providing the data that underpins the website. However, the site has limitations. Unlike Focus on Hospitals, Hospital Compare is derived from Medicare data, rather than data from all adult patients.
- The measures on Hospital Compare are not always suited to creating a single, methodologically-sound representation of hospital quality. Hospital Compare data reflect process and outcome measures that are indicative of delivery of care in discrete interventions or outcomes among a population. They were not designed to be aggregated, nor do they represent the care of all patients.

- The overall star rating may not reflect the aspects of care most relevant to a particular patient's needs. For example, the heart attack mortality and readmission measure in the star rating likely would be irrelevant to a mother making decisions about where to give birth.
- Inclusion of outcome measures in the star ratings perpetuates the failure of CMS to account for socioeconomic issues that are beyond hospitals' control. This may put hospitals caring for patients in poor communities at an unfair disadvantage.
- Although critical access hospitals are exempt from the ratings, smaller hospitals participating in the quality submission program may be challenged to exceed average under the system. This is because smaller hospitals often have too few cases for CMS to consider their performance to be reliable. The statistical technique CMS uses to account for this blends the national average with a hospital's own performance to create a score — the lower the number of cases, the more a hospital's performance is pulled toward the average.
- The star ratings are of virtually no use to hospital quality improvement efforts because there is no 'line of sight' between a hospital's star rating and its performance on individual measures.
- As with all ratings or rankings, a hospital's star rating can be a tool in decision making. However, health care consumers are encouraged to discuss quality scores with their physician when making a determination about where to seek care.

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