August 6, 2015

The Honorable Gene Dodaro
Comptroller General of the United States
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Dodaro:

The quality of care in nursing homes remains an issue of concern for the millions of people who reside in them, as well as their families. The Government Accountability Office (GAO) has a long history of identifying concerns with the quality of care in the nursing home industry and has called for improvements to be made. We are writing to request that GAO undertake a specific review of the Five-Star Quality Rating System, which is part of the Nursing Home Compare web tool administered by the Centers for Medicare and Medicaid Services (CMS).

The Five-Star system assigns each nursing home an overall rating and three component ratings based on the extent to which the nursing home meets CMS's quality standards and other measures.[1] The component ratings include results on annual inspections, self-reported staffing data[2], and self-reported performance on selected quality measures. Each nursing home is assigned from one to five stars, with more stars indicating higher quality. In 2012, GAO reported on how the Five-Star system was developed, how the information in it gets updated, and how CMS ensures that the system's goals are met.[3]

As part of the Nursing Home Compare web tool, the Five-Star system is intended to be a valuable tool that helps millions of Americans and their families make smart care choices and helps doctors and insurers make informed referral and network decisions. By increasing transparency and inspiring competition, the rating system is also intended to help improve overall nursing home quality.

While we acknowledge recent CMS steps to update the Five-Star ratings and improve nursing home quality on a broader scale, media reports continue to raise questions about the system's integrity. Choosing a nursing home can be one of life's most important and consequential decisions, so it is vital that the information the government provides be as accurate and robust as possible. An inaccurate rating system would put at risk individuals who choose a substandard nursing home based on false or incomplete information. It also would put at risk good nursing homes that may be mischaracterized, especially because the rating system ranks them not only

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[1] See a description of the Five Star system in: Government Accountability Office, *Nursing Homes: CMS Needs Milestone and Timelines to Ensure Goals for the Five-Star Quality Rating System Are Met*, March 23, 2012, GAO-12-390.
[2] Section 6106 of the Affordable Care Act requires nursing homes to submit payroll data in order to calculate measurements under the staffing domain. To date, however, nursing homes have not transitioned from self-reported staffing data to payroll submissions. Nationwide mandatory reporting is not scheduled to begin until July 1, 2016.
[3] GAO-12-390.

on their own merits, but also in comparison to other facilities. Many nursing homes provide quality care in good faith, and it is important that the rating system reflects that without giving cover to bad actors.

We are requesting that GAO conduct an assessment of the general accuracy and reliability of the Five-Star Quality Rating System for nursing homes. Given the recent changes to Medicare regulations governing nursing homes and the Five-Star system, we ask that GAO use the most recent data available in completing this assessment. Specifically, we would like GAO to examine:

1. What steps does CMS take to ensure the reliability and timeliness of the data used in the Five-Star Quality Rating System? Are these practices consistent across CMS regions?
2. Are there meaningful differences/distinctions between the star levels in the Five-Star Quality Rating System (e.g. between four and five star nursing homes)?
3. How do the number and type of substantiated complaints align with the star ratings?
4. What do stakeholders see as the strengths and weaknesses of the Five-Star Quality Rating System as a tool for consumers? What is reported by ombudsmen, watchdog groups, state agencies and others? Are there opportunities for improvement?
5. To the extent possible, determine the extent to which patients and their families are using Nursing Home Compare and provide recommendations to improving knowledge of, and access to, nursing home quality information.

As part of a larger effort to ensure the fairness and accuracy of healthcare quality rating systems, we look forward to your assessment and thank you for your attention to this matter. Going forward, the staff contacts for this work will be Ben Schwartz (Senator Casey) and Polly Webster (Senator Wyden).

Sincerely,

Robert P. Casey, Jr.
United States Senator

Ron Wyden
United States Senator