

# Unveiling Excellence

## Understanding the Nursing Home Five-Star Quality Rating System

### INTRODUCTION

The Nursing Home Five-Star Quality Rating System is a program developed and maintained by the Centers for Medicare and Medicaid Services (CMS) to evaluate and compare the quality of care provided by nursing homes in the United States. The CMS, a federal agency within the United States Department of Health and Human Services, manages the nation's foremost healthcare programs. This system aims to provide a comprehensive assessment of nursing home care to assist consumers in making well-informed decisions. By consolidating data from health inspections, staffing levels, and quality measures, the system offers an overview of the quality of care in nursing homes.

This white paper looks at the Nursing Home Five-Star Rating System, its methodology, and the criteria used in the evaluation process. Furthermore, it explores the impact of the rating system on care standards within nursing homes, considering how it incentivizes quality improvements and influences consumer choices.

Additionally, the white paper examines the ongoing relevance of the Five-Star Rating System, emphasizing its crucial role in ensuring high-quality care for the residents. This emphasis on quality care provides reassurance and security to the residents and their families and has significant implications for the healthcare industry.

### PURPOSE AND OBJECTIVES

The Five-Star Quality Rating System is a comprehensive program focused on providing detailed and meaningful insights into the quality of care provided by nursing homes. This system aims to empower consumers and their families by equipping them with critical information for informed decision-making when selecting suitable care options. Utilizing a transparent and standardized evaluation framework gives a sense of control in the decision-making process. It is also a valuable tool for driving continual improvement within nursing homes.

One key aspect of the Five-Star Quality Rating System is its ability to identify areas of excellence within nursing homes and opportunities for enhancement. This function highlights healthcare professionals' dedication to delivering optimal and quality care. It provides specific guidance for improvement, thereby encouraging continuous growth and development within the long-term care industry.

Ultimately, this program promotes accountability and transparency within the long-term care industry. It sets a high standard for quality and ensures that individuals and their families have access to the necessary information to make well-informed choices regarding their care needs.

## HEALTH INSPECTIONS

State survey agencies, acting on behalf of the CMS, conduct thorough and rigorous health inspections to evaluate nursing homes' compliance with federal regulations.

These inspections thoroughly assess various aspects, including but not limited to resident care, facility cleanliness, medication management, infection control protocols, and adherence to safety standards. The goal is to ensure that nursing homes maintain the highest quality and safety standards for their residents.

- Resident care: Evaluating the quality of care provided to residents, including their physical and mental well-being, treatment plans, and responsiveness to their needs.
- Facility cleanliness: Assessing the cleanliness and hygiene practices within the nursing home, including the sanitation of living areas, shared spaces, and equipment.
- Medication management: Reviewing the processes and protocols for administering medications to residents, ensuring accuracy and safety.
- Infection control protocols: Checking the implementation of measures to prevent and control infections within the facility is crucial for protecting the residents.
- Safety standards: Ensuring that the nursing home meets regulatory standards for safety, including fire safety, emergency preparedness, and overall environmental safety.

The findings from these inspections play a critical role in determining the star rating assigned to each nursing home. Survey performance can indicate the facility's commitment to providing high-quality care and meeting regulatory requirements. A positive inspection outcome suggests that the nursing home meets or exceeds these standards, which can lead to a higher star rating.

On the other hand, deficiencies identified during surveys, such as inadequate resident care, hygiene issues, medication errors, or safety violations, can lead to a lower star rating. Repeat deficiencies or a pattern of non-compliance can result in more frequent surveys or heightened regulatory scrutiny, prolonging the impact on the nursing home's star rating. These findings are publicly reported and can influence consumer perception, affecting the nursing home's reputation and ability to attract residents.

Nursing homes with consistently high survey ratings are more likely to be perceived as providing superior care and may attract more residents. This can enhance their competitiveness in the healthcare market and contribute to financial stability. Survey findings are publicly reported on the CMS Nursing Home Compare website. Consumers, including prospective residents and their families, can access this information to evaluate nursing homes. Therefore, negative survey outcomes can continue influencing consumer perception of the nursing home's quality of care over an extended period.

While survey deficiencies can affect the star rating immediately, their long-term impact depends on how effectively the nursing home addresses and corrects these issues. Nursing homes are required to submit plans of correction to address deficiencies. If deficiencies are corrected and subsequent surveys show improvement, the impact on the star rating can lessen over time. However, if deficiencies persist or recur, they can negatively impact the star rating in subsequent survey cycles. It can also lead to the facility's unfavorable reputation, causing decreased occupancy rates and potential risks, financial penalties, or sanctions from regulatory authorities.

## HEALTH INSPECTIONS (CONT.)

In addition to surveys, complaints filed by residents, families, or staff members influence a nursing home's star rating. State survey agencies and CMS investigate complaints, focusing on allegations of neglect, abuse, poor quality of care, or violations of residents' rights. The number and severity of complaints and the outcomes of investigations contribute to the overall evaluation of the nursing home's performance.

Similar to nursing surveys, complaints can impact a nursing home's star rating based on their nature and severity. When complaints are filed against a nursing home, they trigger investigations by state survey agencies or CMS.

A facility's star rating is greatly affected by the seriousness and validation of the complaints it receives. Allegations of neglect, abuse, or substantial care issues can result in immediate deficiencies being identified during inspections. These deficiencies can then lead to a lower star rating in the short term and potentially impact the overall reputation of the establishment. A high volume of substantiated complaints or serious allegations can result in lower star ratings, reflecting concerns about the nursing home's quality of care and resident safety. On the other hand, effectively addressing and resolving complaints promptly can demonstrate responsiveness and commitment to resident welfare, potentially mitigating negative impacts on the star rating. Therefore, nursing homes must handle complaints with care and timeliness to maintain their star rating and reputation.

The impact duration depends on how effectively the nursing home addresses the root causes of the complaints and implements corrective actions. If complaints are substantiated and deficiencies are not adequately addressed, they can persist over subsequent survey cycles, affecting the nursing home's star rating.

If deficiencies from complaints are not resolved, they may result in continued regulatory surveys and more frequent inspections. This prolonged monitoring can extend the impact of complaints on the nursing home's star rating over multiple years.

The duration of complaints and investigations' impact on a nursing home's star rating varies based on the effectiveness of the nursing home's response and ongoing adherence to quality care standards. Nursing homes that take proactive steps to address complaints, improve care practices, and enhance resident satisfaction may reduce the long-term impact on their star rating. Implementing effective quality improvement initiatives and corrective actions can improve survey outcomes in subsequent cycles, gradually raising the nursing home's star rating over time.

Health inspections and complaints are components of the Five-Star Rating System for nursing homes. They provide insights into the quality of care, regulatory compliance, and resident satisfaction within these facilities.



## STAFFING LEVELS

Staffing levels involve more than just the number of nursing staff, which includes registered nurses (RNs), licensed practical nurses (LPNs), and certified nursing assistants (CNAs). Staffing levels also consist of the mix of skills and the availability of different types of care professionals to meet residents' needs. Sufficient staffing is vital for providing compassionate, effective care and ensuring residents' safety.

A well-qualified and sufficient staff directly influences the quality of care residents receive, their overall well-being, and their quality of life. Proper staffing levels are vital for providing personalized, individualized care and attention to each resident's unique needs.

CMS collects staffing data through the Payroll-Based Journal (PBJ), which is auditable and verifiable staffing data from nursing facilities. Staffing reports submitted to the PBJ are analyzed and compared against established benchmarks to determine staffing ratings. This process helps ensure nursing homes have the appropriate staffing levels to meet their residents' complex and diverse needs.

## QUALITY MEASURES

Quality measures cover a broad range of clinical indicators and resident outcomes that act as important indicators of the effectiveness of care in nursing homes. These measures provide valuable insights into residents' safety, well-being, and satisfaction and reflect the overall quality of care. The data for these measures is collected through a combination of resident assessments, medical records, and other sources, ensuring a comprehensive and accurate evaluation of the care provided.

Quality measures in nursing home care have many indicators beyond simple statistics like fall rates resulting in injury, the prevalence of pressure ulcers, and the usage of antipsychotic medications.

One primary indicator of quality care is the incidence of falls resulting in injury. A low fall rate suggests the nursing home environment is safe and conducive to preventing accidents that could harm residents. A high rate might indicate shortcomings in supervision, safety protocols, or environmental hazards, potentially leading to severe injuries or serious adverse outcomes.

Another critical measure is pressure ulcers, which reflect the quality of preventive care and attention given to residents at risk due to immobility or other factors. A high prevalence of pressure ulcers can signal inadequate nursing care, insufficient staff, lack of training, or deficiencies in skin monitoring and management practices.

The use of antipsychotic medications is also closely monitored as part of quality measures. Overuse or inappropriate use of these medications, such as using them to sedate residents rather than addressing their behavioral issues, can be indicative of inadequate behavioral management strategies, understaffing issues leading to medication as a substitute for personalized care, or even neglect of residents' psychological needs.

Analyzing these measures assists in understanding the care provided in a more complete and detailed way. This approach allows for a deeper insight into the residents' overall health, well-being, and satisfaction, helping to identify areas of strength and areas for improvement within the care facility.

## RESIDENT SATISFACTION SURVEYS

Beyond clinical indicators, quality measures in nursing homes also include resident satisfaction surveys. These surveys provide direct feedback from residents and their families regarding their experiences and perceptions of the care provided. Factors such as responsiveness of staff, quality of meals, cleanliness of facilities, opportunities for social engagement, and respect for residents' preferences and autonomy are assessed through these surveys.

Complying with the standards set by government agencies and accreditation bodies is crucial for evaluating the quality of nursing homes. These standards consist of staffing levels, staff training and competence, infection control measures, emergency preparedness, and overall facility management and play a critical role in maintaining the nursing homes' quality of care.

Benchmarking this data involves using various quality measures in nursing home care to paint a comprehensive picture of residents' quality of life and care standards. This includes looking at clinical outcomes, resident satisfaction, regulatory compliance, and adherence to best practices. Healthcare professionals, nursing home administrators, and policymakers all play crucial roles in understanding the strengths and areas needing improvement in a nursing home facility. This understanding empowers them to make a positive impact on the quality of care.

Nursing homes are consistently assessed based on their performance against national averages or predefined thresholds for these quality measures. This allows for thoroughly comparing the facility's performance against established industry standards. By benchmarking against these standards, nursing homes are held accountable and are expected to consistently provide their residents with the highest quality of care and services.

## CALCULATION METHODOLOGY

The star rating given to each nursing home results from various factors. These factors include ratings from the health inspections, staffing levels, and quality measures outlined above. A specially designed scoring algorithm adjusts for nursing home size and case mix differences, ensuring that ratings are as fair and accurate as possible. This approach strives to comprehensively assess each nursing home's performance, accounting for their distinct characteristics and circumstances.

### Step 1: Domain Rating Calculation

Each nursing home receives separate ratings (from 1 to 5 stars) for Health Inspections, Staffing Levels, and Quality Measures based on their performance within each domain.

### Step 2: Weighting

Each domain is weighted to reflect its importance in determining overall quality:

- Health Inspections: Approximately 30% weighting
- Staffing Levels: Approximately 40% weighting
- Quality Measures: Approximately 20% weighting
- Additional adjustments may be made based on specific circumstances or conditions.
- 

### Step 3: Overall Star Rating Calculation

The overall star rating is calculated by combining the weighted ratings from the three domains.

The formula generally involves summing the weighted scores and adjusting for specific CMS methodology updates or corrections.

*EX.2 Simplify completely:*  
(a)  $(x^2y^3)^2 = (x^2)^2 (y^3)^2 = x^4y^6$

(b)  $(x^2)^3 (y^3)^3 (z^2)^4 = x^6 y^9 z^8$

(c)  $(2x^2y^2z^3)^2 = 2^2 x^{2 \cdot 2} y^{2 \cdot 2} z^{3 \cdot 2} = 4x^4y^4z^6$

(d)  $(-2a^2b^3)^2 = (-2)^2 a^{2 \cdot 2} b^{3 \cdot 2} = 4a^4b^6$

## EXAMPLES

The star rating given to each nursing home is based on ratings from health inspections, staffing levels, and quality measures. This method uses a scoring algorithm that considers the size of the nursing home and the differences in the types of cases they handle to ensure fairness and accuracy. CMS is committed to transparency by making the ratings for each facility in these three areas publicly available, and they are regularly updated to reflect changes in healthcare standards.

### Step 1: Domain Rating Calculation

#### Health Inspections

Assume a nursing home undergoes a health inspection, during which deficiencies are identified. The inspection results in a Health Inspection Rating of 3 stars out of 5, reflecting moderate deficiencies found during the inspection.

#### Staffing Levels

Based on payroll records and resident census data, the nursing home reports that its nursing staff provides an average of 3.5 hours of care per resident per day. This results in a Staffing Rating of 4 stars out of 5, indicating adequate staffing levels but not exceeding benchmarks.

#### Quality Measures

The nursing home performs moderately well in clinical and resident outcome measures, achieving a Quality Measures Rating of 3 stars out of 5. Achieving 3 stars suggests the nursing home meets basic expectations regarding quality measures; it indicates that it performs adequately on these quality measures but is average compared to other nursing homes.

### Step 2: Weighting

Each domain is weighted according to CMS guidelines.

#### Health Inspections

Weighted approximately 30%

#### Staffing Levels

Weighted approximately 40%

#### Quality Measures

Weighted approximately 20%

Additional adjustments may be made based on specific CMS methodology updates or corrections.

### Step 3: Overall Star Rating Calculation

The weighted ratings from each domain are combined to calculate the overall star rating. Assume the weighted ratings are as follows:

#### Health Inspections

3 stars  $\times$  0.3 (weight) = 0.9

#### Staffing Levels

4 stars  $\times$  0.4 (weight) = 1.6

#### Quality Measures

3 stars  $\times$  0.2 (weight) = 0.6

Hence, the final, overall Star Rating calculation is  $0.9 + 1.6 + 0.6 = 3.1$  Stars

## EXAMPLES (CONT.)

This rating reflects the combined performance across health inspections, staffing levels, and quality measures. Based on this rating, we know the following:

The nursing home had moderate deficiencies noted during the health inspection, which affected its rating in that domain.

Staffing levels were reported as adequate and slightly exceeded benchmarks, contributing positively to the overall rating.

Quality measures, while moderate, also contributed positively but did not exceed benchmarks significantly.

## IMPROVING STAR RATINGS

Now that we understand how the ratings are calculated, we can begin to think about how to improve a rating going forward. Here are recommendations on how to improve an Overall Star Rating of 3 stars.

### Improving Health Inspection Results

- Promptly develop and implement the corrective action plans to address deficiencies identified during inspections.
- Focus on areas highlighted in the inspection report, such as infection control, medication management, resident safety protocols, and cleanliness.
- Routinely review and update policies and procedures to ensure compliance.
- Provide ongoing training sessions for staff members to reinforce proper procedures and protocols. Ensure that staff are knowledgeable about regulations and expectations during inspections. Promote a culture of continuous improvement and accountability among staff members.

- Solicit feedback from residents and families about their experiences and perceptions of care quality.
- Implement resident-centered care practices to address preferences and improve satisfaction.
- Encourage transparency by communicating openly about inspection results and improvement efforts.

### Improving Staffing Levels

- Monitor and Adjust Staffing Ratios:
- Regularly review staffing schedules and resident needs to ensure adequate coverage throughout all shifts.
- Use data analytics from PBJ and resident census to identify peak times and adjust staffing levels accordingly.
- Consider hiring additional staff or adjusting roles to encourage responsiveness and quality of care.
- Provide opportunities for professional growth and skill development within the organization.
- Implement mentorship programs to support new hires and support team collaboration.
- Recognize and reward staff members who demonstrate exceptional performance and dedication.
- Explore technology solutions that can optimize staffing efficiency and resident care monitoring.
- Leverage resources such as nursing registries or temporary staffing agencies during periods of high demand or staff shortages.

## IMPROVING STAR RATINGS (CONT.)

### Improving Quality Measures

- Adopt evidence-based protocols for clinical care areas such as wound care, medication management, and chronic disease management.
- Regularly update protocols based on current research and guidelines to improve outcomes.
- Continuously monitor performance metrics related to quality measures, such as rates of falls, pressure ulcers, and resident satisfaction.
- Benchmark performance against national averages and industry standards to identify areas for improvement.
- Encourage collaboration among healthcare professionals, including physicians, nurses, therapists, and social workers.
- Conduct regular interdisciplinary meetings to discuss care plans, review outcomes, and implement coordinated interventions.
- Incorporate resident preferences and individualized care plans into daily practice.
- Promote resident and family involvement in care decisions and goal-setting processes.
- Implement strategies to encourage communication and ensure residents are informed and involved in their care.

### Additional Strategies

- Establish a Continuous Quality Improvement (CQI) committee or task force to oversee improvement initiatives across all domains.
- Monitor progress, assess the effectiveness of interventions, and make adjustments as needed.
- Maintain open communication with residents, families, staff, and stakeholders about quality initiatives and progress.
- Utilize feedback mechanisms to gather input and perceptions from all parties involved in care delivery.
- Remain flexible in adapting strategies based on evolving regulatory requirements, demographic changes, and best practices in nursing home care.

*By focusing on these targeted strategies and implementing continuous improvement practices, nursing homes can work towards achieving higher star ratings in the CMS Five-Star Rating System, ultimately improving the quality of care and outcomes for residents.*





## TRANSPARENCY AND ACCESSIBILITY

CMS promotes transparency by disseminating Five-Star Ratings through the [Nursing Home Compare website](#). This user-friendly platform enables consumers to:

- Search for nursing homes by location, name, or specific criteria.
- Compare ratings across multiple facilities to facilitate informed decision-making.
- Access supplementary resources and guidance to interpret and utilize Five-Star Ratings effectively.

## LIMITATIONS AND CONSIDERATIONS

While the Five-Star Quality Rating System provides valuable insights into nursing home quality for the public consumer especially, it is essential to acknowledge its limitations:

- Variability in ratings due to reliance on self-reported data and periodic inspections.
- Incomplete portrayal of care quality dimensions such as resident preferences and cultural considerations.
- Encourage consumers to supplement ratings with personal visits and consultations with healthcare professionals for comprehensive decision-making.

## IMPACT AND FUTURE DIRECTIONS

Since its inception, the Five-Star Quality Rating System has been instrumental in improving the quality of care provided by nursing homes.

Nursing homes have implemented targeted initiatives to augment staffing levels, rectify deficiencies identified during inspections, and enhance clinical outcomes, all in response to the ratings provided by the Five-Star Quality Rating System. For instance, some nursing homes have increased their staffing levels, introduced new safety protocols, and improved their medication management systems, leading to better care for their residents.

Continuous feedback from stakeholders continues to inform updates and refinements to the rating system, sustaining stakeholder engagement and commitment to advancing care quality.

The future of the Five-Star Quality Rating System is promising, with plans to expand quality measures and refine methodologies. These efforts demonstrate the system's commitment to continuous improvement and adaptation to changing healthcare needs. This commitment fosters optimism about the future of nursing home care, reassuring consumers and their families about the system's role in promoting high-quality care.



## CLOSING THOUGHTS

The Nursing Home Five-Star Quality Rating System promotes transparency, accountability, and ongoing improvement within the long-term care sector. By providing accessible and standardized evaluations of nursing home quality, the Centers for Medicare & Medicaid Services (CMS) empowers consumers and their families to make well-informed decisions about long-term care options. This, in turn, promotes a culture of accountability and encourages nursing homes to strive for excellence in caring for the residents.

The impact of this rating system goes beyond just evaluation; it has led to significant positive changes within the long-term care sector. As a direct result of the system's influence, targeted initiatives have been implemented to improve staffing levels, address and rectify deficiencies, and enhance overall clinical outcomes. This demonstrates how the system has incentivized positive change and improvement across the healthcare industry.

In addition, the system proves the dedication and professionalism of healthcare providers in nursing homes. It directs their daily work and strengthens their commitment to providing the best care for residents. By promoting a culture of transparency and accountability, the rating system plays a crucial role in encouraging continuous improvements and upholding higher standards of care within the long-term care industry.

## REFERENCES

Centers for Medicare & Medicaid Services. Nursing Home Compare: Five-Star Quality Rating System. Accessed June 2024.  
<https://www.medicare.gov/nursinghomecompare>

Medicare Facts and Faces: Planning - Medicare Rights Center.  
<https://www.medicarerights.org/policy-documents/planning-ahead-recommendations-for-plan-finder-inspired-by-beneficiaries>

U.S. Government Accountability Office. Nursing Home Fire Safety: Recent Fires Highlight Weaknesses in Federal Standards and Oversight. Accessed June 2024.  
<https://www.gao.gov/products/gao-04-660>



## Does your organization need assistance with preparing for your next survey or improving your overall star rating?

LW Consulting, Inc. can help! Our team of experts can assist you in preparing with proven techniques that will better prepare your team for when surveyors arrive. Learn more on our website at [www.lw-consult.com](http://www.lw-consult.com).

