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CMS Previews On How Hospitals Will Far With New Star Ratings

Before the release of much-anticipated star ratings for overall hospital quality, CMS has now published data showing how those star ratings are distributed across hospital characteristics, such as size and status. The data shows that hospitals of all kinds, such as teaching hospitals or safety net institutions, can vary in quality as indicated by star ratings, CMS said. "We hope that by releasing our analysis of the impact of the overall star ratings on different types of hospitals, we are able to clarify our ratings and address any questions or concerns about the data from stakeholders," the agency said.

Out of 4,599 hospitals, just 2.2%, or 102 institutions, received a five-star rating, while 20.3% received four stars, 38.5% received three, 15.7% earned two stars and 2.9% received a single star. For 20.4% of hospitals, the star rating was deemed not applicable, a status conferred on hospitals that did not meet minimum reporting thresholds. The major difference in star ratings by teaching status was that 24.2% of non-teaching hospitals were listed as non-applicable for overall star ratings, compared with 8.8% of teaching hospitals. Safety net hospitals had a slightly lower mean rating—2.88 stars—than non-safety net hospitals, which earned 3.09 stars on average. Hospitals eligible for disproportionate share hospital payments also ranked slightly lower on average than hospitals that were not eligible for DSH payments, receiving 2.92 stars versus 3.47.

Bundled-Payment Expansion Brings Providers More Risk

CMS announced a proposal recently to put three new episodes of care under mandatory experiments with bundled payments, potentially compelling hundreds of additional hospitals into becoming financially accountable for what happens to Medicare patients long after they leave the hospital. It was just one in a series of steps in an effort to move Medicare and the entire industry toward models that pay for the quality of healthcare rather than the quantity of services.

But the nature of the care in the new proposal—treatment for acute myocardial infarction (heart attack), coronary artery bypass grafts, and treatment for hip or femoral fractures—constitutes a bigger ask for the participants, which haven't been chosen yet. For hospitals with limited experience with bundles, the brisk pace of the transition could pose additional challenges. Nonetheless, many are cheering the aggressive adoption of mandatory bundles because, they say, it gives them a framework to provide better care for patients. Some counter that hospitals should have seen this coming. "They've had plenty of time to prepare," said Josh Luke, a University of Southern California professor and founder of the National Readmission Prevention Collaborative and the National Bundled Payment Collaborative. "They should start preparing for the next bundle."

Rather than resisting, providers will be asking CMS to create similar programs that involve other specialties. That's because the agency proposed that the programs would qualify as advanced alternative payment models under MACRA—meaning practices participating in them would be exempt from the law's quality-incentive framework and be eligible for an additional bonus on their fee-for-service payments. "We think it's important to keep pushing forward on delivery system reform," Dr. Patrick Conway, acting principal deputy administrator and chief medical officer for CMS said. "We think this is a huge opportunity."

Did You Know?

A recent study found that high coffee intake decreased the risk of hepatocellular carcinoma, the most common form of liver cancer.

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