Overall Hospital Quality Star Rating: Overview for Flex Programs, Critical Access Hospitals (CAHs) and Rural Stakeholders

2024 Overview

Based on input from a wide variety of stakeholder meetings held in 2019, the Centers for Medicare & Medicaid Services (CMS) proposed and then finalized an updated methodology for calculating the Overall Hospital Star Rating as part of the CY 2021 CMS Outpatient Prospective Payment System final rule that was published in December 2020. The 2021 methodology is still in use today.

- Eligibility for Participation in the Overall Hospital Quality Star Rating: Must report data to CMS through the Hospital Inpatient Quality Reporting (IQR) Program, Hospital Outpatient Quality Reporting (OQR) Program, Hospital Readmission Reduction Program (HRRP), Hospital-Acquired Condition (HAC) Reduction Program, and/or Hospital Value-Based Purchasing (VBP) Program. To participate, CAHs must have an Optional Public Reporting Notice of Participation in the Hospital Quality Reporting (HQR) system, as star ratings are only calculated using publicly reported measures.
- Beginning in July 2023, Veterans Health Administration (VHA) hospitals reporting data for included measures are also eligible to receive an Overall Star Rating.
- Updated Overall Hospital Star Ratings using the 2021 methodology, were released on the CMS Care Compare website in July 2024. Updates are performed annually.
- In 2021, 41.6% of all rural hospitals were unrated compared to just 12% of urban hospitals[1].
- According to a 2023 study, 91.9% of hospitals who had enough data to receive a star rating were “non-critical access.”
- On CMS Care Compare (formerly Hospital Compare), the listing for those hospitals without a star rating calculated indicates “Not available” with a note that says, “There are too few measures or measure groups reported to calculate a star rating or measure group score.”
- CAHs are NOT required by the MBQIP program to participate in the Star Rating program

[1] For a full recap, go to https://www.ruralhealthresearch.org/assets/5643-26187/quality-star-ratings-recap.pdf#:~:text=By%202021,%20rural%20hospitals%20were%20more%20likely%20to%20have%201.

This project is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) as part of an award totaling $640,000 with 0% percentage financed with non-governmental sources. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by HRSA, HHS, or the U.S. Government. For more information, please visit HRSA.gov.
As a technical assistance provider to rural healthcare organizations, Telligen provides access to a wide range of resources on relevant topics. Inclusion on the Telligen webpage or presentations does not imply endorsement of, or agreement with, the contents by Telligen or the Health Resources and Services Administration.

Background

- CMS originally started releasing Overall Hospital Quality Star Ratings on the Hospital Compare (now called Care Compare) website in July 2016. The objective of the Overall Hospital Quality Star Rating is to summarize information from existing measures on Care Compare in a way that is useful and easy to interpret for patients and consumers.
- CMS has systematically rolled out Star Rating programs across different health care settings including nursing homes, home health, hospice, dialysis providers, clinicians, and payers including Medicare Advantage plans.
- CMS started releasing a Patient Experience HCAHPS Star Rating program for hospitals in April 2015. The Overall Hospital Quality Star Rating is intended to be complementary to the HCAHPS Star Rating Program. The Overall Hospital Quality Star Rating does not replace the HCAHPS Star Rating calculation, nor does it replace reporting of any individual hospital quality measures on Care Compare.

Methodology Overview

Measure Selection

The Overall Hospital Quality Star Rating methodology uses a sub-set of acute care hospital measures already available on Care Compare.

- The measures included in the star rating calculation are based on the measures that are currently available on Care Compare at the time of calculation (so the list of measures included varies each time the Star Rating is calculated).CMS excludes measures that have been suspended, retired, or delayed; measures with no more than 100 hospitals reporting publicly; non-directional measures (for which it is unclear whether a higher or lower score is better); structural measures; and duplicative measures (i.e., individual measures that make up a composite measure).
- Forty-six measures are included in the July 2024 star rating calculation.[2]
- Due to the COVID-19 pandemic, CMS excluded the first six months of data from 2020 from publicly reported measures. In the 2024 Overall Star Rating, several measures (14/46, all of which ordinarily have data collection periods of 36 months) excluded the first two quarters of 2020 data, resulting in shorter measurement periods than normal.

[2] For a full list of measures and timeframes included in the July 2024 Overall Hospital Star Rating Calculation: Hospital Compare Overall Ratings Data Collection Periods (cms.gov).

This project is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) as part of an award totaling $640,000 with 0% percentage financed with non-governmental sources. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by HRSA, HHS, or the U.S. Government. For more information, please visit HRSA.gov.
As a technical assistance provider to rural healthcare organizations, Telligen provides access to a wide range of resources on relevant topics. Inclusion on the Telligen webpage or presentations does not imply endorsement of, or agreement with, the contents by Telligen or the Health Resources and Services Administration.

Measure Grouping

Overall Hospital Quality Star Ratings selected measures are grouped by measure type.

Measure Group	Weight†
Mortality*	22%
Safety of Care*	22%
Readmissions	22%
Patient Experience (HCAHPS)	22%
Timely and Effective Care‡	12%

*These are the only two "outcome" groups – hospitals must have at least three measures in one of these two groups to meet the threshold to have a rating calculated.

†Measure group weights are re-proportioned if no measures are available in a measure group.

‡Consolidates process measures from three previous groups: 1) Effectiveness of Care, 2) Timeliness of Care, and 3) Efficient Use of Medical Imaging Group.

Measure Group Scores and Hospital Scoring:

Measure group scores and hospital scores are calculated by using a simple average of measure scores within each measure group. The overall hospital score is a weighted average of the available group scores.

Threshold for rating calculation: To have an Overall Hospital Quality Star Rating calculated, a hospital must have a minimum of 3 measures in at least 3 groups, 1 of which must be an outcome group (Safety of Care or Mortality). Specific case volumes required for a measure to be included in the star rating calculation varies by measure. The Help Guides for Inpatient and Outpatient Quality Reporting Programs on QualityNet will list the minimum counts for each measure.

Peer Grouping and Star Rating Assignment

To address concerns about comparability of hospitals with fundamental differences such as size, volume, patient case mix, and service mix, the 2021 methodology uses a peer grouping approach to developing Star Rating 'cut-points' based on the number of measure groups available for calculation:

- Hospitals with 3 measure groups
- Hospitals with 4 measure groups
- Hospitals with 5 measure groups

CMS has indicated that analysis shows peer grouping assignments to be stable with >90% of hospitals assigned to the same peer group from 2023 to 2024.

This project is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) as part of an award totaling $640,000 with 0% percentage financed with non-governmental sources. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by HRSA, HHS, or the U.S. Government. For more information, please visit HRSA.gov.
As a technical assistance provider to rural healthcare organizations, Telligen provides access to a wide range of resources on relevant topics. Inclusion on the Telligen webpage or presentations does not imply endorsement of, or agreement with, the contents by Telligen or the Health Resources and Services Administration.

For more information:

- An overview summary of the methodology for calculating the Star Ratings can be found in Figure 1. (on page 6 of this document)
- This list of measures included in the July 2024 Star Rating calculations, includes measure group and timeframe of the data used for the calculation.
- For additional details on the Overall Hospital Star Rating Methodology including measure selection and peer grouping, see the CMS Comprehensive Methodology Report (v4.1) (02/26/2021). Available here.
- CMS Overall Hospital Quality Star Rating: July 2024 Updates and Specifications Report (first download link)
- July 2024 Hospital Quality Initiative Public Reporting Refresh Frequently Asked Questions (second download link)

RQITA Rural Relevant Discussion/Talking points

We applaud the continued effort of CMS in driving towards improved quality and transparency, but concerns about the Star Rating program, particularly for small rural hospitals remain, with the majority of 2021 unrated hospitals (89.4%) being critical access.

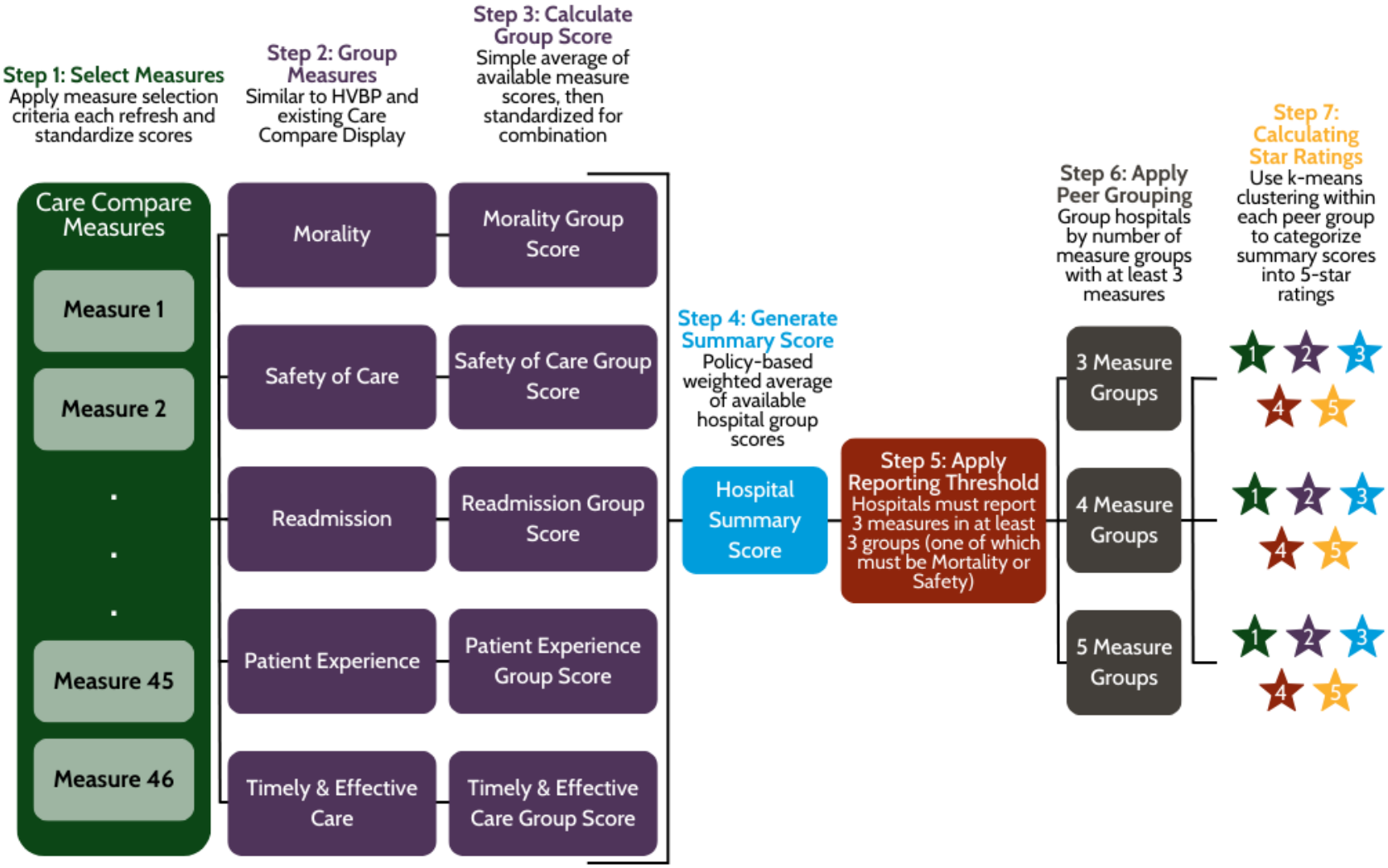
- Although the 2021 updates in the Star Rating Methodology address some of the previous concerns, such as the complexity and replicability of the calculations and concerns about comparability of hospitals with fundamental differences such as size, volume, patient case mix, and service mix, **the lack of rural relevant measures continues to be a primary concern for inclusion and meaningfulness of ratings for small rural hospitals.**
    - Many of the measures included in the ranking methodology are specific to a particular diagnosis or procedure. Small rural hospitals often do not have enough volume of any specific diagnosis to have measures calculated, or the procedures measured are not part of the services they provide. Low volume is not a statement about the quality of care.
    - CMS has also retired several measures in recent years, including many that were rural relevant.
    - The overall star rating comprises a variety of measure combinations, therefore, despite the 2021 updates to the methodology, it is still not an “apples to apples” comparison.
- Peer groupings are not reported to consumers, therefore, when evaluating a hospital on Care Compare, a consumer is likely not considering fundamental differences in hospital characteristics when comparing hospitals in their area. CMS encourages consumers to review individual measure performance to thoroughly assess hospital quality, however, it is unlikely this is being done consistently. Increased public messaging related to interpreting the star rating is needed.

This project is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) as part of an award totaling $640,000 with 0% percentage financed with non-governmental sources. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by HRSA, HHS, or the U.S. Government. For more information, please visit HRSA.gov.
As a technical assistance provider to rural healthcare organizations, Telligen provides access to a wide range of resources on relevant topics. Inclusion on the Telligen webpage or presentations does not imply endorsement of, or agreement with, the contents by Telligen or the Health Resources and Services Administration.

- Although ‘no rating’ does not inherently imply low quality, it can be frustrating for CAHs that have been voluntarily reporting relevant measures to be excluded from the rating system and challenging to explain the rationale to the local media and/or public and their patients.
- The use of the star rating methodology reinforces the need for action to better address quality reporting and measurements for rural and low volume facilities. In 2022, the National Quality Forum released an updated list of Key Rural Measures that includes several recommendations to address challenges related to healthcare performance measurement for rural and low volume providers. The RQITA program will continue to advocate for the inclusion of rural-relevant measures within the Star Rating program whenever possible. The RQITA program recognizes that rural hospitals want and need a consumer-friendly way to accurately illustrate their quality performance and will continue to explore methods for public benchmarking of performance in addition to the Star Rating program.

This project is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) as part of an award totaling $640,000 with 0% percentage financed with non-governmental sources. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by HRSA, HHS, or the U.S. Government. For more information, please visit HRSA.gov.
As a technical assistance provider to rural healthcare organizations, Telligen provides access to a wide range of resources on relevant topics. Inclusion on the Telligen webpage or presentations does not imply endorsement of, or agreement with, the contents by Telligen or the Health Resources and Services Administration.

Figure 1: Flowchart of Overall Star Rating Methodology



Source: Overall Hospital Quality Star Rating on Care Compare Methodology Report (v4.0)

This project is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) as part of an award totaling $640,000 with 0% percentage financed with non-governmental sources. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by HRSA, HHS, or the U.S. Government. For more information, please visit HRSA.gov.

As a technical assistance provider to rural healthcare organizations, Telligen provides access to a wide range of resources on relevant topics. Inclusion on the Telligen webpage or presentations does not imply endorsement of, or agreement with, the contents by Telligen or the Health Resources and Services Administration.