

EXECUTIVE BRIEFING

*The CMS Five-Star Rating System:
Friend or Foe?*

LTC Industry Survey Reveals
Providers Can Turn Challenge into
Opportunity Through Technology
Acceleration and Marketing Precision



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Executive Summary

Quality health care for people with Medicare is a priority for the President, the Department of Health and Human Services (HHS), and the Centers for Medicare & Medicaid Services (CMS). While both HHS and CMS began launching Quality Initiatives in 2001 to assure quality healthcare for all Americans through accountability and public disclosure, CMS has since extended its quality initiatives by creating the Five-Star Quality Rating System for Nursing Facilities (Five-Star) in December 2008.

Recognizing that consumers need better decision-making tools, especially for decisions impacting loved ones, CMS launched Five-Star to provide more objective data to the public. CMS also created Nursing Home Compare (NHC), an online tool to give consumers access to Five-Star ratings and relevant data. The intent, according to CMS, is to help consumers, their families and caregivers compare nursing homes more easily and to help identify areas about which they may want to ask questions.

Since its public launch via major media outlets in the United States, the impact of Five-Star has been significant. Five-Star has resulted in a flurry of media attention, advocacy talking points from key associations (see **Appendix 1**) and consumer advocacy groups, and no lack of spirited debate throughout the LTC industry. As a result, more and more nursing facilities (providers) are grappling not only with the internal impact these initiatives have on operations, but also the external impact of how the general consumer will perceive them going forward.

To understand the full scope and potential impact of Five-Star, a national survey documented by PentaStar Collaborative, with cooperation from American College of Health Care Administrators (ACHCA), devoted efforts to examine the relationship between CMS' goal to provide transparent data through Five-Star and NHC, and providers' response to the impact of the rating system.

The findings suggest a profound disconnect between the government's initiatives to improve the quality of healthcare in the United States and the potential benefits to every individual provider. While providers' reactions to Five-Star varied widely, there was an overall sense among them that strategic technology and marketing initiatives would play a crucial role in their future success and in managing their CMS rating. In fact, the study found that 65% of surveyed facilities recognize the need to turn to technology and marketing initiatives to succeed in the face of Five-Star.

While providers' reactions to Five-Star varied widely, there was an overall sense among them that strategic technology and marketing initiatives would play a crucial role in their future success and in managing their CMS rating. In fact, the study found that 65% of surveyed facilities recognize the need to turn to technology and marketing initiatives to succeed in the face of Five-Star.

The Bottom Line:

Now more than ever, facilities are identified, judged and perceived by consumers by the quality of their data and communications. No matter how providers perceive Five-Star, it is apparent the LTC industry has entered a time of significant change, and movements such as culture change and the migration to non-paper-based documentation and the electronic health record (EHR) have already forced providers to reevaluate many aspects of their systems and facilities, and how they communicate to both internal and external stakeholders.

What It Means:

Ultimately, facilities that accelerate operationally – from implementing systems that drive data to determining how successful outcomes are communicated externally – will be the undisputed winners. Choosing efficient and effective data capture and reporting tools directly impacts both the level of reimbursement that facilities receive and their ability to meet and exceed CMS standards. With Five-Star, the quality of reported data will have an undeniable effect on how consumers – and the public at large – view facilities, making frontline communication with the media, consumers and stakeholders more important than ever.

The Takeaway:

LTC providers have a choice: view Five-Star as an additional restraint and challenge; or, see it as an opportunity to increase revenue (through more accurate documentation, increased reimbursements and more residents), promote improved care and create positive consumer and public perceptions about – and experiences with – their facility.

Recommendations:

Providers need to focus on three critical areas of their operations: (1) efficient and productive processes and workflows; (2) efficient technology selection and deployment; (3) internal and external communication with stakeholders (including, but not limited to, residents and families, staff, vendors, surveyors and CMS) to manage and control general public perception. To succeed at achieving these goals, LTC facilities must immediately increase their ability to:

- **Better manage data quality, accuracy and reporting:** Get processes, systems and data into stellar shape.
- **Communicate more formally with stakeholders:** Improve communication to consumers, staff, surveyors and CMS; tell them how their facilities meets wants and needs for each in clear, precise terms.
- **View competition in a new light:** Facilities compete not just with the facility down the road, but *nationally*.
- **Better manage the media:** Partnerships with the media – knowing how and when to communicate good and bad news effectively – are crucial to a facility's reputation.

LTC providers have a choice: view Five-Star as an additional restraint and challenge; or, see it as an opportunity to increase revenue (through more accurate documentation, increased reimbursements and more residents), promote improved care, and create positive consumer and public perceptions about – and experiences with – their facility.

The CMS Five-Star Quality Rating System

Overview

The U.S. is working through significant national economic issues, and healthcare is a critical component. The forecasts for Medicare funding have been somewhat dire over the past 10 years, and may have focused on trying to resolve these issues. The upside for the LTC industry is that demand is strong. There is a need for services into the foreseeable future; however, the challenge remains in how to pay for those services.

According to the article, “Paying for Nursing Home Care” by Elaine E. Bedel, president of Bedel Financial Consulting, the fastest-growing sector of U.S. society is individuals aged 65 or older. “According to past research, 43 percent of the over 65 population can expect to spend some time in a nursing home due to prolonged illness or disability. [Individuals] can finance this need with [their] own assets, through long-term care insurance, or as a recipient of Medicaid.”¹

On the provider side, most facilities depend to a degree on Federal and State funding through Medicare and Medicaid. To be eligible, skilled nursing facilities (SNFs) and nursing facilities (NFs) are required to be in compliance with the requirements in 42 CFR Part 483, Subpart B, to receive payment under the Medicare or Medicaid programs. To certify a SNF or NF, a state surveyor completes at least a Life Safety Code (LSC) survey and a standard survey.

According to the U.S. Government Accountability Office (GAO), in a December 2005 Report to Congressional Requesters entitled, “*Despite Increased Oversight, Challenges Remain in Ensuring High-Quality Care and Resident Safety*,” oversight of nursing homes is a shared federal-state responsibility.² Based on statutory requirements, CMS defines standards that nursing homes must meet to participate in the Medicare and Medicaid programs and contracts with states to assess whether homes meet these standards through annual surveys and complaint investigations. A range of statutorily defined sanctions is available to CMS and the states to help ensure that homes maintain compliance with federal quality requirements. CMS also is responsible for monitoring the adequacy of state survey activities.

In its efforts to ensure quality standards are met throughout all facilities that participate in the Medicare and Medicaid programs, CMS is launching consumer initiatives as another measure to inform the public about how nursing facilities measure up against certain quality indicators. One such consumer education tool is the Nursing Home Compare Website.

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President
Bedel Financial Consulting

Nursing Home Compare Website

The Nursing Home Compare Website (www.medicare.gov/NHCompare), launched by CMS in December 2008, features the Five-Star Quality Rating System, which gives each nursing home a rating between 1 and 5 stars. Nursing homes with 5 stars are considered to have quality much above average, and nursing homes with 1 star are considered to have quality much below average. There is one Overall 5-star rating for each nursing home and a separate rating for each of the three sources of information described in detail below:

- **Health Inspections** – The health inspection rating contains information from the last three years of onsite inspections, including both standard surveys and any complaint surveys. This information is gathered by individuals who go onsite to the nursing home and follow a specific process to determine the extent to which a nursing home has met Medicare’s minimum quality requirements. The most recent survey findings are weighted more than the prior two years. More than 200,000 onsite reviews are used in the health inspection scoring nationally.
- **Staffing** – The staffing rating has information about the number of hours of care on average provided to each resident each day by nursing staff. This rating considers differences in the level of care of residents in different nursing homes. For example, a nursing home with residents who had more severe needs would be expected to have more nursing staff than a nursing home where the resident needs weren’t as high.
- **Quality Measures (QMs)** – The quality measure rating has information on 10 different physical and clinical measures for nursing home residents; for example, the prevalence of pressure sores or changes to residents’ mobility. This information is collected by the facility for all residents. The QMs offer information about how well nursing homes are caring for their residents’ physical and clinical needs. More than 12 million assessments of the conditions of nursing home residents are used in Five-Star.

Nursing Home Compare currently uses the Minimum Data Set 2.0 (MDS 2.0) for the quality measures. The MDS is collected at regular intervals for every resident in a Medicare or Medicaid certified nursing home. Information is collected on the resident’s health, physical functioning, mental status and general well-being. These data are used by the nursing home to assess the needs and develop a plan of care unique to each resident. Regulations require that a MDS assessment be performed at admission, quarterly, annually and whenever the resident experiences a significant change in status. For residents in a Medicare Part A stay, the MDS is also used to determine the Medicare reimbursement rate. These assessments are performed on the 5th, 14th, 30th, 60th and 90th day of admission.

Using the NHC Website, consumers are able to arrange the order of the nursing homes according to any of the three aspects above, as well as see an overall, blended quality rating based on those three sources of information.

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Putting Five-Star Into Perspective

Just One of Several

While the LTC industry is just now grappling with the recent launch of the NHC Website, the reality is that NHC is just one of several CMS comparison tools available to consumers, and is just one small piece of the larger national CMS quality initiative puzzle. In fact, the various CMS Quality Initiatives touch nearly every aspect of the healthcare system. Consumers can use the quality measures information that is available on www.medicare.gov for these healthcare settings to assist them in making more informed healthcare choices or decisions:

- **Hospital Compare** is based on data from hospitals' patient records. The data is converted to rates that measure how well the hospitals care for their patients. The Hospital Quality Alliance (HQA) expects to increase the number of measures and the types of conditions and treatments on which the hospitals will report over time.
- **Home Health Compare** uses the Outcome and Assessment Information Set (OASIS), which is a group of data elements that represent core items of a comprehensive assessment for an adult home care patient. These core items and a comprehensive assessment serve as the basis for the development of the care plan and ongoing management of the patient. They also form the basis for measuring patient outcomes for purposes of outcome-based quality improvement (OBQI).
- **Dialysis Facility Compare** (DFC) allows patients and their family members, as well as professionals, to compare the quality of dialysis facilities across the country, and to access a variety of kidney and dialysis resources. DFC shows measures that are based on CMS Administrative Data. The information or data on Dialysis Facility Compare comes from two sources: Standard Information Management Systems (SIMS) and Renal Management Information System (REMIS).

The results of Hospital Compare cannot be ignored. Quality of care has improved significantly in hospitals participating in the CMS Premier Hospital Quality Incentive demonstration, a groundbreaking Medicare pay-for-performance demonstration project. Medicare is awarding \$8.85 million to hospitals that showed measurable improvements in care during the first year of the program.

The goals of the Hospital Quality Initiative (HQI), like those of other CMS quality initiatives, are to improve patient care and to provide quality information to consumers and others. CMS has several efforts in progress to provide information to consumers. For example, on May 21, 2008, CMS ran newspaper ads in 55 markets across the United States listing a sampling of local hospitals' scores from two of the measures on Hospitals Compare (refer to **Appendix 2** for a sample of the Hospital Quality Ad). Based on CMS' rollout of Hospital Compare, it is reasonable to conclude that NHC will also receive widespread publicity, making consumers more aware of Five-Star for nursing homes and subsequently, of individual provider scores.

Nursing Home Compare is just one of several CMS comparison tools available to consumers, and is just one small piece of the larger national CMS quality initiative puzzle.

LTC Industry Survey on CMS Five-Star Rating System

Since its public launch, the impact of Five-Star has been significant. As a result, providers are dealing with not only with the internal impact these initiatives have on operations, but also with the external impact of how the general consumer will perceive them going forward.

To understand the full scope and potential impact of Five-Star, a national survey documented by PentaStar Collaborative, with cooperation from ACHCA, devoted considerable efforts to examine the relationship between CMS' goal to provide transparent data through Five-Star and NHC, and providers' response to the impact of the rating system.

PentaStar Collaborative conducted a qualitative survey of 356 administrators and executives in for-profit and not-for-profit facilities throughout the United States. The survey was conducted using a three-pronged approach:

- Marketing phone survey to random facilities in NHC from California, Texas, Illinois, Pennsylvania, Ohio, Massachusetts and Florida;
- In-person surveys at the North Carolina Health Care Facilities Association (NCHCFA) Annual Convention held in January 2009 in Raleigh, North Carolina; and
- Electronic survey executed by ACHCA to its full membership.

The questionnaire (see [Appendix 3](#)) included 10 basic questions and provided opportunity for open-ended responses in four key areas: (1) Industry familiarity with Five-Star; (2) Perceived Fairness of Five-Star; (3) Impact of Five-Star on LTC industry and on individual facilities; (4) Plans for using technology and/or marketing to improve or maintain Five-Star ratings.

Of the 356 total respondents, 268 could be verified with CMS Ratings. (ACHCA did not disclose facility respondent names; therefore, those ratings could not be verified.) The 268 verified ratings are broken down as follows, which also trends closely with the national averages:

- 1-Star = 22% (23% is the national average)
- 2-Stars = 16% (21% is the national average)
- 3-Stars = 19% (21% is the national average)
- 4-Stars = 31% (23% is the national average)
- 5-Stars = 12% (12% is the national average)

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Industry Familiarity with Five-Star

Q: Are you familiar with the CMS Five-Star Quality Rating System?

The response to this question was unanimous, with all 356 respondents answering “yes.” This demonstrates that awareness of Five-Star is prevalent.

Q: Do you know your facility’s Five-Star rating? If so, what is it?

When asked if they knew their Five-Star rating, the vast majority of respondents knew their exact rating. However, there were a percentage of respondents that thought they knew their rating, but their response didn’t match the official CMS rating:

- 83% gave accurate ratings that matched their CMS rating;
- 13% disclosed a higher rating than they received from CMS; and
- 4% received a lower rating than they received from CMS.

Perceived Fairness of Five-Star

Q: On a scale of 1 (being the lowest) to 5 (being the highest), how fair do you think your rating is overall? Please explain.

Of the 256 respondents who answered this question, a majority ranked their rating as extremely unfair or moderately unfair:

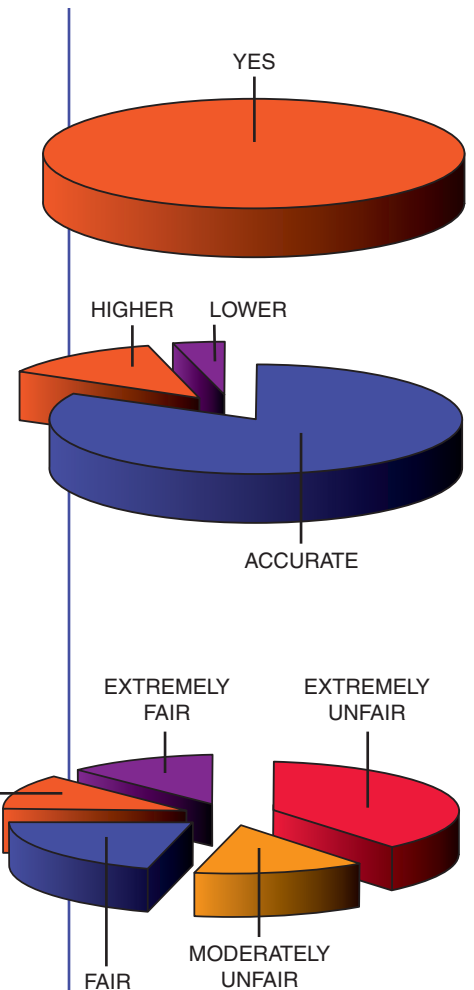
- 39% said it was extremely unfair;
- 15% said it was moderately unfair;
- 21% said it was fair;
- 12% said it was moderately fair; and
- 13% said it was extremely fair.

Sample responses from facilities with 1-star ratings include:

- *“It’s unfair because of the criteria. But we’re not worried because our association has put out talking points.”*
- *“The data is very subjective and the general public doesn’t really understand that particular data.”*
- *“The information isn’t standardized. When collecting data through MDS, the reports are done differently. It’s inaccurate.”*

Sample responses from facilities with 5-star ratings include:

- *“We deserve our ranking. It’s extremely fair.”*
- *“We’ve been here. We know what we’re doing.”*
- *“It’s a fair representation.”*



Perceived Impact of Five-Star

Q: Do you think your rating will have an effect on consumers' perception of your facility?

Respondents were split on whether or not consumers will care about the ratings. Of the 265 respondents to this question, 49% said "Yes" and 51% said "No." Of those, more 4- and 5-star facilities believed their ratings would not have an effect than thought it would have an effect. Many respondents in the "would not affect" category believe their marketing position would not be impacted by the rating mainly because they have little competition. Some respondents thought that the ratings would have little impact because consumers would find the ratings confusing.

Sample responses from facilities with 1-star ratings include:

- "They'll probably perceive the facility as negative, but if they come see us, they'll think we're at least a 2."
- "Consumers have perceived the rating negatively and don't want to put relatives in our care."
- "I haven't heard from any consumers about the rating. I don't think they know about it."

Sample responses from facilities with 5-star ratings include:

- "The rating brought great feedback. We made the news and families are calling!"
- "Consumers perceive us in an even better light."
- "We've been getting congratulations on a daily basis."

Q: How do you think the Five-Star rating will affect your facility overall?

Of the 217 respondents, 50% answered "Neutral," meaning they either weren't sure or thought the rating wouldn't affect their facility. Of the 23% that said "Positively," 33 had 4- or 5-star ratings and 12 had 1- or 2-star ratings. Of the 27% that said "Negatively," 16 had 4- or 5-star ratings and 26 had 1- or 2-star ratings.

Sample responses from facilities with 1-star ratings include:

- "I don't think it will affect the industry at all."
- "The industry is a service that's required, but the rating is heightening the consumers' awareness and giving them information to make a decision."
- "I believe it will have a negative effect."

Sample responses from facilities with 5-star ratings include:

- "It will give a benchmark for other facilities to strive for."
- "It will help; other facilities should improve their rating and fix whatever is broken."
- "Make people pay attention to how they're rated and why. It will improve the industry."

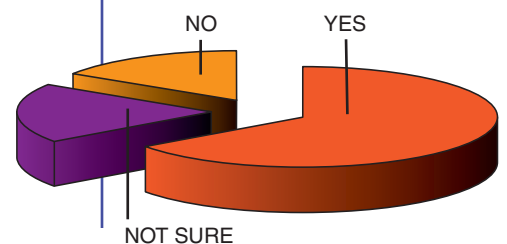
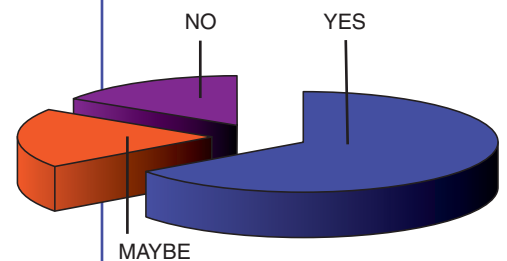
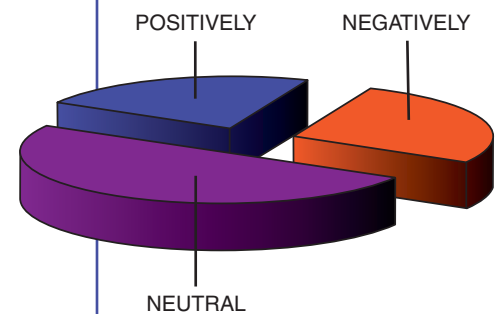
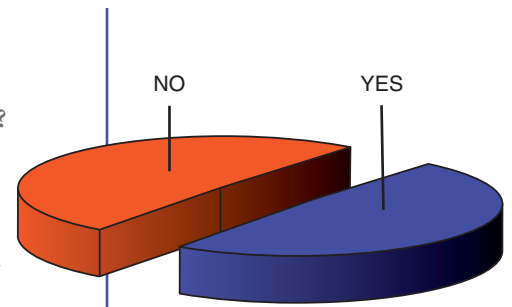
Plans for Using Marketing and Technology

Q: Will your facility use marketing, technology, or both to improve its operation?

Of the 227 respondents, 65% said "Yes," 16% said "No," and 19% said "Maybe."

Q: Do you have the marketing/technology/process improvement resources in place today to improve or maintain your rating?

Of the 265 respondents, 67% said "Yes," 16% said "No," and 17% said "Weren't Sure." Nearly twice as many of the facilities that felt they did not have or would need more resources were 1- or 2-star facilities. Overall, 39% of the facilities that felt they had the necessary resources in place received a 1- or 2-star rating.



Implications of Five-Star on Providers

Based on the LTC industry survey results, one can reasonably draw several conclusions with regard to the impact that Five-Star is having on providers in the LTC industry:

- With approximately 40% of CMS rated facilities scoring a 1- or 2-star rating, there are approximately 7,000 facilities in the United States that are in need of some level of operational assistance.
- While providers' reactions to Five-Star varied widely, there was an overall sense among them that strategic technology and marketing initiatives would play a crucial role in their future success and in managing their CMS rating. In fact, the study found that 65% of surveyed facilities recognize the need to turn to technology and marketing initiatives to succeed in the face of Five-Star.
- While more than half of survey respondents think Five-Star is unfair, the rating system is viewed by providers in a number of ways, from "another report we have to complete" to "this could provide an advantage for our facility." The publication of those ratings creates a degree of aftershocks throughout the LTC industry which can range from "high fives" (typically from facilities with 4- or 5-star ratings) to "oh no's" (typically from facilities with 1- or 2-star ratings).
- Many survey respondents indicated a belief that CMS will change the Five-Star Rating System. However, according to Larry Minnix, president and CEO of the American Association of Homes and Services for the Aging (AAHSA), quoted in an April 22, 2009 article in *McKnight's Long-Term Care News* (at the AAHSA annual Future of Aging Conference held every spring in Washington, DC), the vacancy in the CMS Director role due to the change in Administrations will likely only delay any potential changes to the Rating System. According to the article, CMS' director of survey and certification, Thomas Hamilton, said he is "not likely to change anything" until a new administrator is in place.³ However, on April 17, 2009 CMS issued a formal response to AAHSA, AHCA and the Alliance for Quality Nursing Home Care. One of the most significant actions that CMS has agreed to explore soon is eliminating the use of the forced distribution of facilities which predetermines that 20% of the facilities will receive 1 star, 70% will receive 2, 3, or 4 stars and 10% will receive 5 stars.⁴
- Some survey respondents indicated that they felt consumers would be "confused" by the NHC website and not pay attention to it. However, CMS is not the only public source touting rating systems for nursing homes. *U.S. News and World Report* recently introduced its own "America's Best Nursing Homes" rankings in a special online section of its Website, and according to *McKnight's Long-Term Care News*, the move "further legitimizes" the CMS Rating System. "The lists expand upon information from CMS' Nursing Home Compare Website, which has housed Five-Star since its debut in December. Information will be updated quarterly at <http://health.usnews.com/sections/health/best-nursing-homes/index.html>."⁵

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What Providers Can Do To Positively Impact Five-Star Ratings

While Five-Star poses certain challenges to the LTC industry, there are also resources available that providers can utilize to positively impact their ratings. For example, the American Recovery & Reinvestment Act of 2009, known as the Stimulus Bill, provides opportunity for LTC providers and vendors. Signed into law on February 17, 2009, the nearly \$900 billion measure includes \$87 billion in Medicaid funding for states. According to an article in *McKnight's Long-Term Care News*, the American Health Care Association (AHCA) praised the Senate bill for the increase in Federal Medical Assistance Percentage (FMAP) funding to states. It also favors provisions to ensure prompt payment to long-term care providers, providing funding to states for health information technology (HIT) grants and loans.

Additionally, in response to CMS' December 2008 launch of Five-Star, AAHSA made suggestions to providers:

- Check your data and your rating, and prepare your story about your care.
- Be prepared to tell the media your story. Engage your staff, residents, families and volunteers in personal testimonies.
- If you're among the 12% of facilities with a Five-Star rating, toot your own horn.

Given the influences that continue to bear down on the LTC industry, AAHSA's Talking Points direct providers to address two core challenges at the heart of Five-Star: (1) Information overload – knowing how to productively manage, report, succeed and grow from data – without question or confusion; and (2) Precision communication – realizing that with the proliferation of widespread consumer tools, nursing facilities no longer just compete locally with other facilities; they compete *nationally*. With increased competition comes the need to more formally and effectively communicate with external audiences.

Paying attention to these core initiatives is no longer a choice; it's imperative. Those providers at most risk are those with antiquated processes and systems that cannot precisely pinpoint and substantiate accurate filings, as well as those providers who lack diligent processes and resources designed to not only control their consumers' and other stakeholders' (like their staff, resident families, board members, the media, etc.) perceptions, but also engage them as advocates.

The survey results support the fact that providers already recognize that technology acceleration, coupled with precision communication, can help them proactively respond to Five-Star. In fact, technology acceleration is the *only* way to achieve perfect ADLs, control the survey process, defend decisions and get paid for all the care providers actually deliver. And frontline marketing is the *only* way to impact families and engage them as advocates; and manage consumers' perceptions regarding the facility through the media and other external influencers.

Nursing facilities no longer just compete locally with other facilities; they compete *nationally*. With increased competition comes the need to more formally and effectively communicate with external audiences.

Technology Acceleration

The Stimulus Bill potentially gives LTC providers additional incentive to research and implement technology solutions that can save the organizations money, improve care and boost their Five-Star ratings. However, the LTC industry continues to face challenges with regard to the effective selection and deployment of technology that can positively impact their management of data – and their Five-Star ratings. According to a December 2005 research initiative conducted by the U.S. Department of Health and Human Services entitled, “*Barriers to Implementing Technology in Residential Long-Term Care Settings*,”⁶ five prevalent themes emerged as potential barriers to implementing technologies in long-term care settings.

Lack of Information about Technologies and the Residential LTC Market

The first pervasive theme was key groups’ – manufacturers, providers and regulators alike – lack of knowledge about the application of technologies in the residential care sector. Providers said they lack information about: (a) where to find technologies, (b) how to evaluate their applicability to their setting, (c) how to evaluate the stability of the technology manufacturer, and (d) how to assess cost-effectiveness of technology. Manufacturers said they lack knowledge about how the LTC market views the importance of technology. Regulators said they lack information about the benefits of technology and the process by which to evaluate them.

Perceived Lack of Financial Resources to Develop and Purchase LTC Technologies

A second major theme is the perceived lack of financial resources for manufacturers and researchers to develop useful products and to allow for providers to purchase them. Manufacturers expressed concerns about liability exposure in both the healthcare and the long-term care industry. Almost all of the experts identified cost of technology, limited provider resources (particularly for technologies that require a large initial investment) and limited reimbursement from private and public insurance as substantial barriers to purchasing new technologies. There was also a notable lack of discussion about the potential cost-savings or improvements in quality of care or quality of life.

Failure of Regulatory Process to Keep Pace with Technological Advances

A third major theme is that outdated regulations and the regulatory process hamper the implementation of new technologies and limit manufacturers’ creativity in conceptualizing new products. Although newer standards and codes may be more inclusive of the latest technologies, many states do not update their regulations on a regular basis, and thus are enforcing codes that do not account for the latest technologies. The regulatory environment places great emphasis on documentation requirements as the primary means of assessing compliance with codes, as opposed to considering how technology can improve quality of care and quality of life.

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Industry's Lack of Standards for Technologies Central to Residential LTC

The study also found a pervasive frustration among providers, manufacturers and regulators alike with the lack of standards to facilitate the integration of new technologies into residential care settings. Several providers emphasized that the technologies would be far more effective if they were integrated with one another and that standards may facilitate this integration. Several manufacturers explained that standards would help in their development of new products, which often face different codes from state to state. Regulators expressed the desire for standards to help facilitate their evaluation of new technologies and whether they meet the intent of codes.

Providers' Lack of Knowledge and Experience with Implementing and Managing Technological Change

A majority of informants pointed to a lack of clarity about the most effective way to go about the process of incorporating technologies into residential care facilities. Providers cited “motivational” problems ranging from a lack of time, to the absence of a local champion, to simply ceasing to use the technology after external supports are removed. The pattern of responses suggested that resistance was greater for technologies whose purpose was seen by staff to replace or reduce staff members, to decrease the “human touch” or to monitor the staff. Providers with more successful experiences viewed the purpose of the technology to address a need expressed by the staff. Moreover, the pattern of responses suggested that technology introduced from the top-down met with resistance, whereas providers who utilized a more participatory approach were more likely to describe their technology implementation experience as successful.

The good news for providers and vendors alike is that each of the roadblocks to technology cited in the U.S. Department of Health and Human Services study can be averted through advanced decision-making and deployment methodologies that are available today to LTC providers. When faced with new technology solutions, or analyzing the effectiveness of current technology, it is imperative for providers to have a definitive, proven process for ensuring a successful outcome.

Consider this scenario that describes how most providers typically go about the technology selection process. First, a project lead (typically with no technology background) is assigned to oversee the initiative. That person sets out to interview colleagues regarding their needs and then contacts various vendors and asks for information. Then, they put together an RFP that includes a long list of technical features, to which all vendors say, “Yes, our system does all of those things!” The project lead takes this information back to a committee and narrows the search down to two or three vendors – with the chosen system being the victor in a resultant bidding war. Finally, after the provider purchases the system and goes into implementation, they find that the cost (in both staff time and dollars) is much higher than they ever anticipated – or were ever clearly told. But instead of taking the time to create performance specifications in advance, most providers approach decision-making in the wrong order: starting with listening to what the sea of vendors provide – and then selecting a system they guess will come closest to meeting their expectations.

The good news for providers and vendors alike is that each of the roadblocks to technology cited in the U.S. Department of Health and Human Services study can be averted through advanced decision-making and deployment methodologies that are available today to LTC providers.

The simple truth is that very few providers have discovered a formula to nail down how much functionality they can expect for how much money. Typically, they don't task themselves to determine the performance specifications they will require *before* they publish an RFP. Nor do providers serve notice that vendors will be expected to show they can match the defined specification *before* pitching their technology offerings.

So how does a provider choose the right solution? The most popular ways are to do a Web search or attend a trade show. But the problem is that these approaches require sifting through the sea of vendors and their respective – and often *confusing* – offerings. A better, more logical way is to institute a systematic, decision-making process that enables providers to pin down, as specifically as possible, what they expect technology to do for *their facility* and how they can make it conform to their unique processes – *before* talking to vendors.

Advanced Decision-Making in LTC

When considering technology, it is important for providers to have a clear vision of the problem that is being automated so they can eventually develop and measure return on investment (ROI). The advanced decision-making methodology gives providers the ability to:

- Complete all due diligence and workflow processes upfront – before signing a purchase order. This prevents potential errors and reduces the eventual total cost of ownership in the selected system.
- Implement a precise, deliberate formula to nail down how much functionality is actually needed, along with how much functionality can be expected and for how much money.
- Determine the system specifications that providers require *before* they develop an RFP.
- Serve notice through a highly structured RFP template that vendors will be expected to show they can match defined performance specifications *before* pitching their offerings.
- Provide a roadmap for vendors to demonstrate ROI from their proposed solutions by giving providers time standards and performance expectations for each discrete process, which they can then overlay against their “as is” processes and workflows.

Perhaps the biggest advantage to engaging in the advanced decision-making methodology is that it enables providers to decipher their specific requirements – workflow by workflow. Procedures and workflows in a LTC facility change constantly. Some of those changes are planned, but some happen almost by accident. It's the accidental changes that drive up cost and drive down productivity.

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Perhaps the biggest advantage to engaging in the advanced decision-making methodology is that it enables providers to decipher their specific requirements – workflow by workflow.

There are three phases that providers can apply to achieve the positive results of advanced decision-making when it comes to selecting and deploying a new technology:

Phase 1. Determine the Facility's Requirements before Embarking on the Search

This step requires diligence in listening, documenting and studying workflow processes. Using flow chart tools to capture the workflow processes is a good method to identify potential improvements and see where the right technology can make a step more efficient. Identify gaps between what the company is doing today versus what it can do with the right technology.

Phase 2. Analyze the Gaps

Careful analysis of the gaps will ensure that any new technology components will be effective. Look at what types of features and functions of a solution would bridge the gap. Put a cost to each gap and ask what is being lost in the current process that can be recovered with technology (ROI).

Phase 3. Develop a Request for Proposal (RFP)

Once the workflows are complete, gaps analyzed and technology needs identified, the next steps is to create an RFP that works for providers (not vendors). To do this successfully, the provider should carefully examine how a vendor's technology will fit into their unique processes – not how well their off-the-shelf product works. The key is whether the vendor can meet the desired workflow process and prove what types of efficiencies will be gained as a result.

Even though finding technology solutions requires a joint effort of the administrators and management team (to identify needs), the care team units (to expose the day-to-day operational needs) and the information technology team (to lay the foundation for infrastructure requirements and support needs), at the end of the day, most will agree that technology is really all about how to better serve the residents. How does technology fit into this? It's "time saved." The right technology roadmap will save providers and their staff hours every day. Hours that can be – *and should be* – used to provide care to residents and strengthen relationships with families and other stakeholders.

Working with a competent technology consultant can ensure ROI is achieved for every solution selected and deployed. Industry-savvy consultants stay current with technologies (in ways providers cannot due to time demands), providing guidance and information (in a neutral matter), helping analyze and streamline workflows from global industry experience; and ensuring deployments are done on-time, within budget – and always within the providers' control to maximize profitability on the upside and minimize risk on the downside.

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Precision Marketing and Communications

While consumers have instant Five-Star rating information at their fingertips, providers, on the other hand, do not want consumers to rely on Five-Star data solely in making their LTC choices. In fact, CMS cautions consumers not to use NHC to make uninformed judgments regarding a particular facility, regardless of its ratings. Rather, the NHC Website is intended to be a repository from which consumers can start a dialogue with the facility regarding its services.

However, just as the financial markets are experiencing with homebuyers, consumers in general have become much savvier “shoppers” due to the proliferation of the Internet. And, while CMS provides the disclaimer to the consumer not to rely on NHC as a sole tool in the decision-making process, its layout makes it very easy for someone to look at the star rating and make an instantaneous judgment call regarding a particular facility. Clearly, it is in the providers’ best interest to ensure that consumers are making *informed* decisions regarding their facilities – and marketing is the vehicle that can help control those perceptions for the long-term.

In recent years, marketing has become an important business practice in the healthcare delivery industry overall; and marketing initiatives in the LTC sector have similarly increased, following the example of hospitals and health systems. According to an article in the July-August 2008 issue of the *Journal of Healthcare Management*,⁷ if done effectively, today’s marketing techniques are driven by consumer needs, wants and tastes as well as market competition. For example, quality-of-life factors, including excellence of food service, are on the list of considerations when potential residents and their families are searching for the right nursing facility. Therefore, developing and communicating a unique image that highlights quality-of-life values and a strong service orientation have been proven to be effective marketing strategies that help a nursing home differentiate itself from market competitors.

From the public’s perspective, healthcare consumers, especially those looking for long-term care, base their needs assessment and purchasing decision on many personal factors, including fears and emotions, and consult their primary care physicians before choosing a facility. Therefore, customer-relationship management directed toward primary care physicians and hospital discharge planners may be an effective way to attract nursing home customers and also influence other channels with regard to a facility. In fact, relationship-oriented management practices and leadership styles are not only proven marketing techniques but also help with staff retention and outcomes improvement.

The Culture Change movement prevalent in LTC today is another reason why marketing must come front and center. According to an article in the December 1998 issue of *Nursing Homes* magazine (now known as *Long-Term Living*), “Smart Marketing Pays – Long Term Care Facilities’ Marketing Techniques”⁸ by George E. Molloy, “Some owners believe that just because they have changed the name of their facility from nursing home to health and rehabilitation center, their marketing problems are over. Well, not exactly. Changing the facility’s name is a tactic, but marketing and networking strategies must support it. Changing the facility’s name, which may or may not be a good idea, is merely a first step.”

Clearly, it is in the providers’ best interest to ensure that consumers are making *informed* decisions regarding their facilities – and marketing is the vehicle that can help control those perceptions for the long-term.

Also, the fact that providers are accelerating technology to help improve resident care and better manage core data that impacts Five-Star ratings, presents another significant opportunity to communicate with key stakeholders the progress the facility is making – frontline marketing lets stakeholders know that the facility is in charge of its own brand promise – and in control of its own quality destiny (refer to the Case Study on page 21 for an example of how a provider achieved these very goals through technology acceleration and frontline marketing).

Essentially, there are six core attributes that LTC facilities can apply to achieve effective, results-pulling marketing that will put consumer perception back into the control of the facility:

1. Marketing isn't just something a facility does; it should be in everything it does – involving all functions that comprise discovering and creating consumer value

Marketing is the driving force in finding what providers do for its staff, residents and consumers to improve care results, and leads the facility to deliver on its promises. Marketing should be prevalent in all internal and external communications as a targeted, strategic, consistent program. Marketing is also not a single department or a single person – it impacts care strategy and delivery, information technology, consumer support, admissions, and every other functional part of the facility where staff and consumer “outreach” is performed.

2. Marketing deals with essential truths about the climate, consumers, competitors and the facility itself

Providers need to know where they stand before they can plot an effective marketing strategy. Their differentiation depends on their position relative to the market and relative to consumer perception of their value. Facilities are well-served to go through an independent marketing audit to learn unequivocally how their key internal and external stakeholders view their value proposition. This information is invaluable for enabling the facility to pinpoint its true brand promise as it relates directly to its target markets.

3. Make friends with the media

Many providers may feel they don't need to have a partnership with the media, let alone be trained in the art of communicating with the media. However, to truly understand how to effectively communicate with the media involves planning. The media interview – a powerful gateway to the facility's consumer audiences – is simply a two-way street between a provider and a reporter supplying another story for the news cycle. Both engage in a give and take, and it's the provider's job to control the interview so each party reaches the desired audience. The reporter wants a solid news story that pleases his or her editor and is useful to the readers or viewers. The provider wants to see key messages in print or online for prospective consumers to read, see and act on. Both needs are equally important and the directions provided in a strategic media roadmap will help guarantee a smooth and successful outcome for both parties. The challenge is that most facilities don't have a strategic media roadmap, and they'll only begrudgingly talk to reporters when they call. For example, the *Chillicothe Gazette* (OH) ran a story on Five-Star on 12/21/08 on National Church

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Residences, which operates Traditions nursing home facilities in Chillicothe. The article pointed to the 5-star overall quality rating as validation of the way the facility operates. “We’re very pleased,” said Thomas W. Slemmer, president, CEO. “Quality is quality no matter how you cut it.” The article went on to say, “Several local nursing homes contacted by the *Gazette* for reaction to their numbers either said they were too busy to talk to the newspaper or had not yet reviewed the report.” Those providers who essentially said “no comment” positioned themselves in a negative light in the article – and potentially with consumers who read the article. More importantly, these providers missed a significant opportunity to educate the reporter on their position regarding their Five-Star ratings and what initiatives they have put into place to improve the ratings.

4. Marketing estimates pro forma impact (ROI) to any service or promotional campaign

Providers should resist making the assumption that marketing cannot be measured. It can be measured so long as the facility makes the commitment to conduct marketing as an ongoing, consistent process.

5. Marketing is systematic and establishes success metrics

It follows a process, and maintains (consistently) a database of consumers and contacts. Those facilities that implement a marketing initiative here and there, or do it via a stop-and-go process, are wasting time and money. Objectives should include customer satisfaction, service performance, market share and ROI, among other factors.

6. Marketing adjusts strategy and tactics, when necessary

To be most effective, the marketing process should always be a fluid one. It’s effective to try new approaches – that’s how positioning rises above the clutter of the marketplace. Just be sure to keep your program flexible to adapt and change as often as necessary to obtain the best results.

As with technology services, working with a competent marketing consultant can ensure ROI is achieved for every aspect of the marketing program. Industry-savvy consultants can provide an objective perspective, void of internal politics; perform functions that aren’t typically handled internally; connect the facility with pools of talent it wouldn’t otherwise know/have access to; and provide expertise in a discipline in which the facility may not have internal expertise or sufficiently trained resources, such as in the process of media relations.

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Case Study: How a Provider Used Technology Acceleration and Marketing to Deliver Its Brand Promise

St. John Specialty Care Center in Mars, Pennsylvania, is a 320+ bed community and is part of Lutheran SeniorLife, western Pennsylvania's premier provider of senior living and health care communities. Like all LTC facilities, St. John is committed to providing the utmost care and compassion for its residents; but what makes this facility unique is its commitment to advancing technology to obtain operational improvements, improved care outcomes – and subsequently, achieve frontline marketing and communication results. *

St. John delivers a myriad of services to help its residents maintain or improve their ability to live as independently as possible. This vision for resident-centered care prompted the facility to implement voice-assisted care to enable its staff members to spend more time with residents, which in turn allows for a higher standard of care.

The facility's management and marketing team partnered with voice provider, Vocollect Healthcare Systems, Inc., to produce a video documentary⁹ on the results – and impact – of deploying voice-assisted care, and then utilized effective marketing and communications initiatives from CommuniTech, a Pittsburgh-based marketing firm, to inform and educate its internal and external audiences of the successful results.

Technology Acceleration

In light of the trend toward electronic health records, St. John sought to eliminate the use of written charts and progress notes, which its nursing staff reported was taking up to 70 percent of their day. AccuNurse voice-assisted care gave St. John the security, flexibility and freedom it was looking for. Using voice-assisted care has also increased St. John Specialty Care Center's income by improving the facility's documentation and reporting capability.

“As a result of voice-assisted care, internal controls and professional training initiatives, we've seen our CMI increase by 0.11,” said Tom Prickett, executive director. “The increased CMI translates to more than \$500,000 in additional reimbursement per year,” Prickett said. “The increased revenues will be used to enhance resident and employee programs, make improvements to the existing nursing facility, as well as to help with building assisted living and independent living facilities. We're very pleased not just with this enhanced documentation of care provision, but also the ability to increase our revenue base and quality of care we're providing.”

*Currently, the facility has an overall 1-star rating on NHC; along with a 3-star rating in the area of staffing and a 2-star rating in the area of quality measures, but is using a combination of technology acceleration, marketing and its Abundant Life™ mission to help change this.

“We've always provided good care. But now, advancing our technology, as we did with voice-assisted care and other systems, helps us ensure that we're delivering personalized care that each and every resident wants, needs and deserves. Through technology advancement, we provide care with more confidence, efficiency and accuracy than ever before. And through effective marketing, we're proud to raise our awareness and share our successes with our communities.”

Tom Prickett
Executive Director
St. John Specialty
Care Center

Frontline Marketing & Communication

In evaluating its results with voice-assisted care, it became readily evident that St. John Specialty Care Center had a powerful story to tell its communities. The first step was to produce a video documentary as the keystone in the educational and communications process. In conjunction, Vocollect Healthcare Systems, St. John Specialty Care Center and CommuniTech then prepared to launch the video during a community event, hosted at St. John's facility. As part of the event, employees, regional elected officials and the media were invited to attend.

"We went to work to get media attention by positioning the event as one that highlighted a healthcare initiative that is directly boosting the regional economy, improving quality of life for the region's seniors and complementing the Obama Administration's advocacy of electronic medical records to make healthcare more efficient and cost-effective," said Pam Selker Rak, president of CommuniTech, LLC. "Most importantly, our dialogue with the media emphasized how St. John Specialty Care Center is taking quality, as well as resident, staff and family satisfaction to new heights while becoming more cost-efficient with advanced technology."

The result of the promotion was a highly successful launch event at St. John Specialty Care Center, as well as positive coverage in a range of media outlets, including both print and broadcast. CommuniTech achieved a feature article in *Long-term Living* magazine (to be published in the June 2009 issue), the *Pittsburgh Business Times*¹⁰ and the *Pittsburgh Post-Gazette*,¹¹ the largest newspaper in Western PA. Additionally, the firm also scored a guest segment on *Sunday Business Page*, a KDKA-TV (CBS affiliate) weekly program that invites the "movers and shakers" in Western PA industry. Both Vocollect Healthcare Systems and St. John Specialty Care Center will participate in the guest segment.

Achieving "Abundant Life" Through Care Technology + Marketing

All in all, St. John has incorporated voice-assisted care as a key part of its mission to permeate Abundant Life™ throughout its facilities, and then leveraged effective marketing initiatives to educate and inform its internal and external publics as to the positive results. The effect is better operational outcomes, better communication channels with internal and external communities, and having a handle in controlling consumer perceptions when they're faced with making a decision regarding the care of a loved one.

"We've always provided good care," said Prickett. "But now, advancing our technology, as we did with voice-assisted care and other systems, helps us ensure that we're delivering personalized care that each and every resident wants, needs and deserves. Through technology advancement, we provide care with more confidence, efficiency and accuracy than ever before. And through effective marketing, we're proud to raise our awareness and share our successes with our communities."

According to Prickett, keeping its publics in the loop consistently on progress is good for the staff; good for the operations; and ultimately, good for the residents and families. "When a facility is 'firing on all operational cylinders,' it gives everyone the confidence of knowing they've made the right decision with St. John."

Marketing/PR Results:

- Achieved premium placement of the video documentary highlighting St. John's mission on home page of *Long-Term Living* magazine's website
- Feature article to publish in the June 2009 issue of *Long-term Living* magazine
- Feature article in the *Pittsburgh Business Times*
- Feature article in the *Pittsburgh Post-Gazette*, the largest newspaper in Western PA
- A guest segment on *Sunday Business Page*, a KDKA-TV (CBS affiliate) weekly program that invites the "movers and shakers" in Western PA industry
- Increased political awareness amongst a U.S. congressman's office, county commissioners' offices and PA state senator's office

Case Study: Marketing Assessment Leads to Need for Advanced Decision Methodology

Providers are not the only organizations within LTC that can benefit from technology acceleration and marketing – so can product vendors that serve the LTC market. One such example is Fox Learning Systems, Inc., a leading e-learning organization based in Pittsburgh, Pennsylvania. Fox Learning Systems is the innovator of Real Life, Real Learning™ staff education curriculum designed specifically for LTC.

Working with CommuniTech, Fox underwent a thorough marketing assessment of its user base, and the results identified its previous Learning Management System (LMS) as a roadblock to sales and user productivity. For Fox Learning Systems, everything funnels through its LMS, so the decision for the right product was crucial.

“There were a variety of LMS products from which to choose; and we quickly realized the task would be both time-consuming and daunting,” said Debra Fox, president of Fox Learning Systems, Inc. “It was a mission-critical decision for our organization and ultimately, for our customers. We couldn’t afford to make the wrong selection.”

That’s why CommuniTech recommended the services of Prymak to implement its technology assessment service to guide the search for a new LMS. The advanced decision-making methodology is a powerful tool that assists organizations looking for new technology, software platforms or systems by identifying and charting specific metrics for the vendor selection process.

One of the most challenging tasks for Fox was being able to apply “the right amount of time” to the project. Prymak provided the time necessary to make the project a success, assessing and analyzing all the critical tasks and data on-site – a service that most other consultants wouldn’t apply. “This process helped us overcome two big challenges,” said Fox. “The first is how to select the right product from a myriad of available options; and the second is how to ensure return on investment by meeting our needs for the long-term.”

Advanced Decision-Making Approach Drives IT Innovation

The technology selection process starts with listening. For Fox, the project kicked off with a series of meetings to identify the overall business goals and requirements. Next, Prymak business analysts assessed the current systems being used, identifying specific, detailed interactions between the users and the software applications through use cases. In tandem, the technology team then researched and pinpointed the core functionalities of other potential software systems.

“It was a mission-critical decision for our organization and ultimately, for our customers. We couldn’t afford to make the wrong selection. This process helped us overcome two big challenges. The first is how to select the right product from a myriad of available options; and the second is how to ensure return on investment by meeting our needs for the long-term.”

Debra Fox
President
Fox Learning Systems, Inc.

Once all of the information was gathered and analyzed, Prymak then developed an extensive Request for Proposal (RFP), which was presented to each potential vendor. However, this was no ordinary RFP. And what impressed Fox the most was that the RFP – which was customized to the use cases that Prymak developed – required the LMS vendors to show their product in line with how it would meet Fox’s unique specifications.

Once the RFP responses were gathered, cross-referenced and analyzed, Internet demos were scheduled from a segment known as the “top picks.” From that process, the selected vendors were whittled down one step further – with the top three invited to conduct onsite demos and presentations with the Fox Learning Systems and Prymak teams in Pittsburgh.

Advanced Decision-Making Sets Realistic Expectations

Prymak’s services model is a perfect complement to the long-term care industry due to the market’s need to improve upon technology in support of increasing regulations, growth and expansion. “e-Learning providers like Fox Learning Systems – in support of long-term care facilities – must strike a balance among helping customers lower operating costs, improving revenue, and achieving better quality of care for their elder residents,” said Peter Fugaro, president of Prymak. “For Fox, the right LMS is fundamental to achieving its goals. By using our technology services, the company, for the first time, was able to craft a logical, systematic and proven strategy that avoids the costly delays and disruptions that are so often a part of evaluating, selecting and rolling out a new system,” he explained.

Prymak works with clients every step of the way, even providing support through the due diligence process and contract negotiations. For Fox, this included developing a detailed cost/benefits analysis of all the selected software contenders, giving trusted advice during the negotiation process and providing input during the final contract execution.

In fact, even though Fox had its own attorneys, it trusted Prymak’s judgment to the point where they would not sign the final contract until it had received final recommendations from Prymak. “In the end, Prymak helped us re-evaluate our process and helped identify what would work and wouldn’t work in relation to our customers’ needs,” said Fox. “Our team benefited from advanced decision-making that enabled us to pinpoint realistic expectations about cost, scheduling, staffing and other key factors integral to selecting and deploying an effective LMS.”

“In the end, Prymak helped us re-evaluate our process and helped identify what would work and wouldn’t work in relation to our customers’ needs,” said Fox. “Our team benefited from advanced decision-making that enabled us to pinpoint realistic expectations about cost, scheduling, staffing and other key factors integral to selecting and deploying an effective LMS.”

Debra Fox
President
Fox Learning Systems, Inc.

About PentaStar Collaborative

PentaStar Collaborative is a joint alliance between Prymak, LLC and CommuniTech, LLC, two entities with unique, proven business skills and results in technology acceleration and frontline communication and marketing. Founded by Peter Fugaro (PentaStar's director of technology services and president of Prymak) and Pam Selker Rak (PentaStar's director of marketing services and president of CommuniTech), PentaStar Collaborative works with financial service and long term care (LTC) facilities to improve organizational well-being from two operational standpoints: process, data, and technology management, as well as effective communication and marketing of successes to consumers and key stakeholders. PentaStar Collaborative has offices in Pittsburgh, Pennsylvania, and Greensboro, North Carolina, and works with both LTC vendors and providers.

Have Questions?



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Appendix 1: AAHSA Talking Points

A Five-Star Travesty of Justice, Poorly Implemented Larry Minnix, AAHSA President and CEO, December 17, 2008

Tomorrow, there will be a press announcement about the new CMS Five-Star Quality nursing home rating system. It is based on significantly flawed and inadequate information that has stacked the public relations deck against nursing homes.

The Five-Star system is reflective of the way CMS has increasingly done business recently. It's ethos of working with providers has changed, in my experience, from collaborative and transparent to a heavyhanded compulsion to cram good, yet poorly executed ideas down our throats in the waning days of this administration. The Five-Star system is only one example. I'll share others below.

This harsh conclusion has been reached over the last 24 hours as it has been revealed that national media and state survey agencies have been given the entire database of the five-star ratings days in advance of providers having their individual facility data.

AAHSA blew the whistle on the advance media action to which CMS responded immediately with a conference call with the state and national association leaders to let us in on their secret and ask our help with "roll out." A caller asked the CMS official leading the call if we could all receive the same data sent to the press and state agencies. We were told that would not be possible.

Following that extended call late yesterday, Dana Petrowsky, our Iowa state executive, took the initiative to call her local newspaper that had received the information. The newspaper reporter forwarded her the information for Iowa and the entire nation, which CMS said they could not send. Even the reporter understood that we can't comment on data we haven't seen. It's a sad and ironic day when we have to turn to the media for CMS data.

Shortly after this call, AAHSA's Barbara Manard stopped by my office late in the day to give me a heads up on another ill-conceived, 11th hour half-baked CMS idea called "pay for performance." More details will be forthcoming, but she said she would recommend to states and members that they not participate in the pilot to be rolled out right away. In her view, under the guise of financial performance incentives, the pilot fundamentally rewards nursing homes not to treat nursing home residents in need of care.

Later, John Sauer, our state executive from Wisconsin, called my home enraged over the continued injustice inflicted on nursing home members through a flawed inspection process. He reminded me the message that most nursing homes are busting their tails for improved quality while living with onerous regulation and decreasing reimbursement. He's right. John understands the need to cooperate with government — and nobody does it better than John and AAHSA for that matter. But his passion (metaphorically) screamed "Enough is enough!" I slept on that call and agreed. Enough is enough. And if your passion isn't awakened over all this, you're missing the message.

As you know, AAHSA has partnered with government, our provider colleagues and consumers around nursing home quality improvement. When I came to Washington in 2001, it was apparent that nursing home care needed much attention. Policy leaders accused us of not taking responsibility for our own quality. I believed that to be a valid judgment — as did other association colleagues.

That conclusion led then- HHS Secretary Tommy Thompson to propose the Nursing Home Quality Initiative as the government's leadership program. Quality First is the counterpart initiative of AAHSA, the American Health Care Association and the Alliance for Quality Nursing Home Care. Both programs have progressed well. They have spawned initiatives like Advancing Excellence in America's Nursing Homes and recent culture change advancements.

Every nursing home should embrace Advancing Excellence because it represents the best data available reflecting actual improvement in nursing home care. And the culture change conference, sponsored by CMS and the Pioneer Network was a watershed moment in terms of integrating culture change with contemporary regulatory oversight. Other thought leaders and provider-driven programs like Better Jobs Better Care, Green Houses, Wellspring, Sanctuary and the Eden Alternative are all great examples of hard work underway for many years to improve nursing home care.

In the meantime, OBRA '87 has become increasingly onerous. It is now 20 years of thousands of pages of out-of-date regulation for which nursing homes are judged through the survey and certification process or "Inspection Reports" as CMS now calls them. These inspections are the fundamental basis for the five-star system.

AAHSA has completed a year-long study and report on the nursing home survey process. The effort was chaired by Kentucky state association executive Tim Veno, a former state survey director, and Bonnie Gauthier, an AAHSA board member from Connecticut. The study is entitled, "Broken and Beyond Repair." It includes insights from members and outside experts. It has been sent to Congressional and CMS leaders. It recommends a complete examination of nursing home oversight, and a study by the Institute of Medicine, which did the last study of the public oversight of nursing homes years ago.

CMS has yet to respond to our recommendations. They have had them for months. Their inaction is inexcusable. CMS' one concession in a five-star plan is to publicize that the data is reported by states and that there are inconsistencies across states. My phone is already ringing from individual facilities with flawed information in their rating.

There are other data flaws in the Five-Star system. An Alliance leader commented on the CMS call yesterday that there are data to show that nursing homes who care for sicker residents are likely to receive fewer stars. How's that for reinforcing those of you who serve the very ill?

CMS has promulgated a new experimental quality indicator system tested in several states called the QIS. What they are withholding is their own internal evaluations that question its effectiveness as well. What we do not need is a new flawed system to replace the old one.

When added to CMS's recent multiple attempts to undo the Medicare market basket adjustment and change RUGs refinements based on flawed data, a clear pattern emerges that is destructive to older people in need of care and those of us expected to provide it: use high-sounding good ideas to cover cost reductions based on inadequate study data.

Back to the reality of the present dilemma. A Five-Star plan that is the right idea, poorly planned, prematurely implemented and ham-handedly rolled out. But as usual, you and I have to pick up the pieces. Yes, before you call or write, we have asked that the Five-Star rollout be delayed. CMS refuses. I ask them once again to reconsider!

So what can we do?

1. Check your data, your rating and prepare your story about your care.
2. Document flaws, inconsistencies and injustices you have been subjected to and send them to CMS with a copy to me. Be prepared to tell the media your story.
3. If you are among the 12 percent of nursing homes with a five-star rating, toot your own horn.
4. Engage your staff, residents, families and volunteers in personal testimonials for the media. The best stories we have to tell are the people who are grateful for what you do and are willing to tell about it.
5. Read the AAHSA report called "Broken and Beyond Repair." Make it a discussion item at your board meetings.
6. Most importantly, keep embracing Quality First principles. Continuous quality improvement and culture change work. Government cannot solve our problems, but they should exercise appropriate oversight. Our job is to improve quality. Government's is to inspect what we do. We all should be transparent in the reporting of it, including CMS.
7. Write your members of Congress and state officials about the unjust and misleading situation we have been handed – ENOUGH IS ENOUGH!






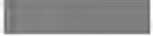
And remember, there should be two kinds of nursing homes: the excellent and the non-existent. This ideal is possible if we do our part and the government will stop playing games. We all need to express the passion that John Sauer reminded me of during dinner last night.

Appendix 2: Sample Hospital Compare Ad

Compare the Quality of Your Local Hospitals

Visit www.hospitalcompare.hhs.gov

Here is a sample of what you'll see

Hospital Name	Percentage of people who received antibiotics 1 hour before surgery	Percentage of people who always received help when they wanted it
Hospital A	 90%	 95%
Hospital B	 85%	 90%
Hospital C	 70%	 85%

Many hospitals are demonstrating their commitment to quality improvement by submitting information to Hospital Compare. Information in this ad was collected between July 2006 and June 2007. Check the website regularly for all the most current data available.



"The more information I have to make a choice, the better."
Daisy, 72

This chart shows two ways hospital quality is measured.

Getting an antibiotic at the right time before surgery reduces your risk of infection. And, knowing you will get help quickly from hospital staff may make your stay more comfortable. Hospitals that give recommended care and good service may help you avoid other health problems. When choosing a hospital, discuss quality and patient experience information with your doctor.

More hospitals. More information.

These are sample hospitals in your area and only two of the quality measures you'll see on Hospital Compare. Visit www.hospitalcompare.hhs.gov to see more. Or, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.



*My Health.
My Medicare.*

The Hospital Compare website was created by the Federal Government's Centers for Medicare & Medicaid Services with the collaboration of the Hospital Quality Alliance (HQA). The HQA represents associations for consumers, hospitals, doctors and nurses, employers, accrediting organizations, and Federal agencies to promote reporting on hospital quality of care.

Appendix 3: Survey Questions for LTC Facilities Regarding CMS Five-Star Quality Rating System

Survey Questions

Name of the Facility:

Contact Person:

Position:

(Note: Ratings are defined as follows: 1 being the worst. 5 being the best)

SURVEY Questions:

1. What is your name and title?
2. Are you familiar with the CMS (Center for Medicare and Medicaid Services) Five-Star Quality Rating System? (www.cms.hhs.gov)
3. Do you know your facility's Five-Star Rating? (What is it?)
4. On a scale of 1 (being the lowest) to 5 (being the highest), how fair do you think your rating is overall? Please explain.
5. How do you think consumers will perceive your facility after seeing your rating?
6. How do you think the rating will affect your facility overall?
7. What internal changes do you think your facility will have to make to either improve or maintain your rating (if your rating was 4 or 5)?
8. Do you have the marketing/ technology/ process improvement resources in place today to improve or maintain your rating? Do you think you will have to outsource any one of those? If so, which ones?

(Only ask question 9, if there rating was 1-3)
9. If the public perceives your facility in a negative light based on your rating, do you feel you have the internal marketing resources to effectively change this perception?
10. How do you think the CMS Five-Star Quality Rating System will affect the industry as a whole?