



Highlights of [GAO-03-187](#), a report to congressional requesters

Why GAO Did This Study

GAO was asked to review the Centers for Medicare & Medicaid Services (CMS) initiative to publicly report additional information on its “Nursing Home Compare” Web site that is intended to help consumers choose a nursing home. GAO examined CMS’s development of the new nursing home quality indicators and efforts to verify the underlying data used to calculate them. GAO also reviewed the assistance CMS offered the public in interpreting and comparing indicators available in its six-state pilot program, launched in April 2002, and its own evaluation of the pilot. The new indicators are scheduled to be used nationally beginning in November 2002.

What GAO Recommends

GAO is recommending that the Administrator of CMS delay the national reporting of quality indicators to allow sufficient time to resolve important issues regarding appropriate indicators for public reporting and to implement a program to review the accuracy of the data on which the indicators are based. During this time, CMS also should more thoroughly evaluate the results of its six-state pilot to assess how information is presented and to improve assistance available through consumer hotlines.

www.gao.gov/cgi-bin/getrpt?GAO-03-187.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Kathryn G. Allen at (202) 512-7118.

NURSING HOMES

Public Reporting of Quality Indicators Has Merit, but National Implementation Is Premature

What GAO Found

CMS’s initiative to augment existing public data on nursing home quality has considerable merit, but its planned November 2002 implementation does not allow sufficient time to ensure the indicators it publishes are appropriate and useful to consumers. CMS’s plan urges consumers to consider nursing homes with positive quality indicator scores, in effect, attempting to use market forces to encourage nursing homes to improve the quality of care. However, CMS is moving forward without adequately resolving a number of important open issues on the appropriateness of the indicators chosen for national reporting or the accuracy of the underlying data.

To develop and help select the quality indicators, CMS hired two organizations with expertise in health care data—Abt Associates, Inc. and the National Quality Forum (NQF). Abt identified a list of potential quality indicators and tested them to verify that they represented the actual quality of care individual nursing homes provide. Although the full Abt report on validation of the indicators was not available as of October 28, 2002, GAO’s review of the available portions of the report raised serious questions about the basis for moving forward with national reporting at this time. NQF, which was created to develop and implement a national strategy for measuring health care quality, was hired to review Abt’s work and identify core indicators for national reporting. To allow sufficient time to review Abt’s validation report, NQF agreed to delay its recommendations for national reporting until 2003. CMS limited its own evaluation of its six-state pilot program for the initiative so that the November 2002 implementation date could be met. Early results were expected in October 2002, leaving little time to incorporate them into the national rollout. Despite the lack of a final report from NQF and an incomplete pilot evaluation, CMS has announced a set of indicators it will begin reporting nationally in November 2002.

GAO has serious concerns about the potential for public confusion by the quality information published, especially if there are significant changes to the quality indicators due to the NQF’s review. CMS’s proposed reporting format implies a precision in the data that is lacking at this time. While acknowledging this problem, CMS said it prefers to wait until after the national rollout to modify the presentation of the data. GAO’s analysis of data currently available from the pilot states demonstrated there was ample opportunity for the public to be confused, highlighting the need for clear descriptions of the data’s limitations and easy access to impartial experts hired by CMS to operate consumer hotlines. CMS has not yet demonstrated its readiness to meet these consumer needs either directly or through the hotlines fielding public questions about confusing or conflicting quality data.

CMS acknowledged that further work is needed to refine its initiative, but believes that its indicators are sufficiently valid, reliable, and accurate to move forward with national implementation in November 2002 as planned.