

# Quality Measure Initiative Effectiveness

(FY2019 Appropriation Bill – Public Act 207 of 2018)

March 1, 2019

*Sec. 1646. (1) From the funds appropriated in part 1 for long-term care services, the department shall administer a nursing facility quality measure initiative program. The initiative shall be financed through an increase of the quality assurance assessment for nursing homes and hospital long-term care units, and the funds shall be distributed according to the following criteria:*

- (a) The department shall award more dollars to nursing facilities that have a higher CMS 5-star quality measure domain rating, then adjusted to account for both positive and negative aspects of a patient satisfaction survey.*
- (b) A nursing facility with a CMS 5-star quality measure domain star rating of 1 or 2 must file an action plan with the department describing how it intends to use funds appropriated under this section to increase quality outcomes before funding shall be released.*
- (c) The total incentive dollars must reflect the following Medicaid utilization scale:
  - (i) For nursing facilities with a Medicaid participation rate of above 63%, the facility shall receive 100% of the incentive payment.*
  - (ii) For nursing facilities with a Medicaid participation rate between 50% and 63%, the facility shall receive 75% of the incentive payment.*
  - (iii) For nursing facilities with a Medicaid participation rate of less than 50%, the facility shall receive a payment proportionate to their Medicaid participation rate.*
  - (iv) For nursing facilities not enrolled in Medicaid, the facility shall not receive an incentive payment.**
- (d) Facilities designated as special focus facilities are not eligible for any payment under this section.*
- (e) Number of licensed beds.*

***(2) The department and nursing facility representatives shall evaluate the program's effectiveness on quality, measured by the change in the CMS 5-star quality measure domain rating since the implementation of this section. By March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices on the findings of the evaluation.***



## **Background**

This report is provided pursuant to the Michigan Department of Health and Human Services (MDHHS) Fiscal Year 2019 Appropriations Act, PA 207 of 2018 Article X, Section 1646 (2). This section requires MDHHS to submit a report evaluating the Quality Measure Initiative's (QMI) effectiveness on quality as measured by the change in the Centers for Medicare and Medicaid Services (CMS) 5-star quality measure domain ratings.

The CMS 5-star quality measure domain ratings are based on 16 Minimum Data Set (MDS) measures self-reported by nursing facilities to CMS, and 3 of the 16 measures are partially derived from Medicare claims data. The measures are determined by data from either long-stay residents (residents in the facility for greater than 100 days) or short-stay residents (residents in the facility for 100 days or less). The 16 measures are:

- Percentage of long-stay residents whose need for help with activities of daily living has increased.
- Percentage of long-stay residents whose ability to move independently worsened.
- Percentage of high risk long-stay residents with pressure ulcers (sores).
- Percentage of long-stay residents who have/had a catheter inserted and left in their bladder.
- Percentage of long-stay residents who were physically restrained.
- Percentage of long-stay residents with a urinary tract infection.
- Percentage of long-stay residents who self-report moderate to severe pain.
- Percentage of long-stay residents experiencing one or more falls with major injury.
- Percentage of long-stay residents who received an antipsychotic medication.
- Percentage of short-stay residents whose physical function improves from admission to discharge.
- Percentage of short-stay residents with pressure ulcers (sores) that are new or worsened.
- Percentage of short-stay residents who self-report moderate to severe pain.
- Percentage of short-stay residents who newly received an antipsychotic medication.
- Percentage of short-stay residents who were re-hospitalized after a nursing home admission.
- Percentage of short-stay residents who have had an outpatient emergency department visit.
- Percentage of short-stay residents who were successfully discharged to the community.

The QMI was originally required in the MDHHS Fiscal Year 2018 Appropriations Act, PA 107 of 2017 Article X, Section 1646 as passed by the Michigan legislature in June 2017 and signed into law on July 14, 2017. MDHHS received approval to implement the QMI

from CMS on August 20, 2018 and MDHHS began issuing payments on September 20, 2018.

### **Data**

This table shows the average CMS 5-star quality measure domain rating from the reporting quarter prior to the passage of PA 107 of 2017 through the most recently completed quarter of data for Michigan and nationwide:

<b>Nursing Facility Average CMS 5-Star Quality Measure Domain Ratings</b>		
<b>Quarter End Date</b>	<b>Michigan 5-Star Average Rating</b>	<b>National 5-Star Average Rating</b>
March 2017	3.7140	3.50
June 2017	3.8742	3.66
September 2017	3.9774	3.76
December 2017	4.0473	3.86
March 2018	4.1625	3.95
June 2018	4.1991	4.00
September 2018	4.0913	3.98
December 2018	4.1301	3.99

The average CMS 5-star quality measure domain rating increased by .4161 stars from the quarter prior to the passage of the law through the most recently completed quarter of data for Michigan facilities, representing an 11.2% average increase. The average 5-star ratings for the two quarters in which payments were issued were both lower than the average ratings in March 2018 and June 2018.

From the quarter prior to the passage of PA 107 of 2017 through the most recent quarter of data, 40.2% of Michigan nursing facilities increased their CMS 5-star quality measure domain ratings while 18.2% decreased their ratings, 38.4% maintained their ratings and 3.1% had incomplete ratings data.

### **Conclusion**

Since the passage of PA 107 of 2017, the average CMS 5-star quality measure domain rating has increased and most nursing facilities either improved or maintained their ratings. The average 5-star ratings were generally increasing prior to March 2017 and the highest average ratings actually occurred in the two quarters directly preceding the issuance of QMI payments. Considering this and the recent implementation limiting the data available for evaluation, it is currently difficult to draw any strong conclusions about the QMI's effect on quality improvement at this time.