



March 18, 2016

The Honorable Andy Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Acting Administrator Slavitt:

The undersigned associations representing the nation's hospitals request that the Centers for Medicare & Medicaid Services (CMS) delay the April 2016 release of the hospital star ratings on the Hospital Compare Website until at least July 2016. Our hospitals support public reporting of provider quality data that is reliable, valid, and meaningful to consumers. Due to our serious concerns that these star ratings will be misleading to consumers, we believe that a delay is necessary to allow CMS to fully understand the impact of the star ratings on all hospitals and to address the flaws in the measures and methodology. In order to move forward, hospitals must be provided with the data that will enable them to assess the ratings and ensure they are accurate.

Many of the nation's best-known hospitals, institutions that serve low income and complex patients, and are highly rated in other quality rating reports, will be receiving 1 and 2 stars (out of 5 stars). This is due to the fact that the ratings rely heavily on measures, such as the PSI-90 composite and the hospital-wide readmissions measure, that MedPAC and other researchers have identified as being inappropriately risk adjusted. These ratings do not account for hospitals that serve highly complex patients with significant socioeconomic challenges, and that also perform a greater number of complex surgeries.

Prior to public release of these ratings, CMS must provide hospitals with the data that was used to calculate their ratings and answer questions about the methodology. To date, hospitals have been unable to replicate or evaluate CMS's work to ensure that the methodology is fair and the ratings are accurate.

Given these significant issues with the star ratings system, we are deeply concerned that it will not serve consumers well as the information is inaccurate and misleading. Hospitals are committed to transparency and improving the quality of care for our patients. It is crucial that the information provided to consumers be accurate so that it can help them make important decisions about their health care.

It is clear that the star ratings should not be released to the public in April. More time is needed for CMS, hospitals, and stakeholders to thoroughly review the data and the methodology to ensure that the ratings are valid and accurate. We ask CMS to immediately take the following steps:

1. **Delay the release of the star ratings** to allow additional time for CMS to understand the full impact of the current methodology and determine if any category of hospitals are disproportionately disadvantaged.

2. **Share the full star ratings data with hospitals** prior to their public release to allow them to review and replicate CMS's calculations.
3. **Remove the PSI-90 composite measure and other quality measures from the methodology that are biased against certain hospitals** and re-run the results to understand if any category of hospitals are disproportionately disadvantaged by the measures.
4. **Adjust the star ratings for sociodemographic factors**, as has been proposed for the Medicare Advantage star rating system.

The hospital community welcomes the opportunity to work with CMS to resolve these critical issues immediately to ensure that consumers have accurate information. We look forward to your response soon.

Association of American Medical Colleges
American Hospital Association
America's Essential Hospitals
Federation of American Hospitals

cc: Patrick Conway, CMS
Kate Goodrich, CMS
Pierre Yong, CMS