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Washington, DC 20548

April 6, 2011

The Honorable Herb Kohl
Chairman
Special Committee on Aging
United States Senate

The Honorable Charles E. Grassley
Ranking Member
Committee on the Judiciary
United States Senate

Subject: *Nursing Home Quality: Implementation of the Quality Indicator Survey*

This report formally transmits our briefing slides that describe the approach that the Centers for Medicare & Medicaid Services (CMS) is taking to implement the Quality Indicator Survey (QIS) nationally (see enc. I). CMS developed the QIS—a new electronic process used to conduct nursing home inspections—to provide a more reliable assessment of the quality of care in nursing homes. You asked us to review the implementation of the QIS. As you requested, these slides provide background information on the nursing home inspection process and describe the approach CMS is taking to implement the QIS. These slides were used to brief your staff on March 28, 2011. We will address other issues related to implementation of the QIS in a subsequent report. We provided a draft of this report to the Department of Health and Human Services (HHS) and the agency provided technical comments, which we incorporated as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the Secretary of HHS, the Administrator of CMS, and relevant congressional committees. In addition, the report will be available at no charge on the GAO Website at <http://www.gao.gov>.

If you or your staffs have any questions regarding this report, please contact me at (202) 512-7114 or kohnl@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report were Anne Laffoon, Assistant Director; George Bogart; Krister Friday; Seta Hovagimian; Samantha Poppe; and Priyanka Sethi.

A handwritten signature in cursive script that reads "Linda T. Kohn".

Linda T. Kohn
Director, Health Care

Enclosure



Nursing Home Quality: Implementation of the Quality Indicator Survey

Briefing for staff of

Special Committee on Aging
United States Senate and

Committee on the Judiciary
United States Senate

March 28, 2011



Overview

- Introduction
- Objective
- Scope and Methodology
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Introduction

- Nursing homes provide skilled nursing, rehabilitation, and/or custodial care to elderly and disabled individuals.
- Federal and state governments share responsibility for ensuring that nursing homes provide quality care in a safe environment for the nation's 1.5 million residents dependent on such care.
- The Centers for Medicare & Medicaid Services (CMS) is responsible for ensuring that nursing homes participating in the Medicare and Medicaid programs meet federal quality standards. To do so, among other activities, CMS contracts with state survey agencies to conduct periodic inspections of nursing homes.



Introduction (cont.)

- Over the last decade, we have reported significant weaknesses in these inspections, which include poor measurement of serious care problems in nursing homes.*
- To improve the inspection process, CMS developed the Quality Indicator Survey (QIS), a new electronic method for conducting nursing home inspections that is designed to provide a more reliable assessment of the quality of nursing homes.

*See, for example, GAO, *California Nursing Homes: Care Problems Persist Despite Federal and State Oversight*, GAO/HEHS-98-202 (Washington, D.C.: July 27, 1998) and GAO, *Nursing Homes: Federal Monitoring Surveys Demonstrate Continued Understatement of Serious Care Problems and CMS Oversight Weaknesses*, GAO-08-517 (Washington, D.C.: May 9, 2008).



Introduction (cont.)

- In 2005, CMS launched a demonstration of the QIS in five states: California, Connecticut, Kansas, Louisiana, and Ohio.
- CMS is in the process of implementing the QIS in all 50 states, the District of Columbia, and two territories.*

*In this briefing, we use the term "states" to refer to the 50 states, the District of Columbia, and territories.



Objective

- Our briefing describes the approach that CMS is taking to implement the QIS nationally.



Scope and Methodology

- This briefing will describe CMS's efforts to implement the QIS nationally from August 2009, when CMS announced its implementation plan, to February 2011.
- To describe the agency's implementation approach, we
 - Reviewed CMS policies, procedures and other relevant documents, including CMS's QIS implementation plan.
 - Interviewed CMS officials regarding the implementation plan.
 - Conducted interviews with subject matter experts outside of CMS, such as the CMS contractor who led the development of the new QIS process, to further our understanding of the QIS and how CMS plans to implement it.
 - Reviewed CMS data on the number of states that have implemented the QIS and the number of nursing home inspections conducted using the QIS.



Scope and Methodology (cont.)

- Limitations to our research are as follow:
 - We focus on steps taken by CMS at the federal level to facilitate implementation of the QIS; state-level perspectives are not included in this product.
 - CMS data on the number of nursing home inspections conducted in fiscal year (FY) 2010 are not yet complete; the numbers we present are the most current as of February 2011 but may not reflect all QIS surveys conducted in FY 2010.



Scope and Methodology (cont.)

- To ensure reliability of the nursing home inspection data collected, we reviewed key documents and checked data for obvious errors. Based on these activities, we determined that the data are sufficiently reliable for our purposes.
- We conducted this audit from October 2010 through March 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.



Background

Medicare and Medicaid Coverage for Nursing Home Care

- Medicare covers up to 100 days of skilled nursing home care following a hospital stay.
- Medicaid covers nursing home stays for certain low-income individuals.
- Approximately 15,700 nursing homes receive payment from Medicare and/or Medicaid programs. According to a CMS official, combined Medicare and Medicaid payments for nursing home care in 2009 were about \$89 billion.*

*Calendar year 2009 data were the most recent data available at the time we conducted our study.



Background (cont.)

Oversight of Nursing Homes

- Oversight of nursing homes is a shared federal-state responsibility.
- To help ensure quality of care in nursing homes, CMS, among other tasks, sets federal quality standards that focus on the delivery of care, resident outcomes, and facility conditions.
 - For example, some of these standards focus on areas such as the prevention of pressure sore development and keeping the resident environment as free from accident hazards as possible.



Background (cont.)

Nursing Home Inspection Process

- To determine whether nursing homes meet federal standards, CMS contracts with state survey agencies to conduct on-site nursing home inspections, which consist of routine surveys and complaint investigations. State surveyors are to conduct routine surveys, on average, every 12 months, and complaint investigations are conducted in response to allegations of quality problems.
- During a routine survey, teams of state surveyors evaluate nursing homes' compliance with federal quality standards, in part by measuring resident outcomes such as the incidence of preventable pressure sores, weight loss, and accidents.



Background (cont.)

Nursing Home Inspection Process

- During both routine surveys and complaint investigations, state surveyors may cite deficiencies—that is, areas in which facilities fail to meet federal quality standards.*
 - Nursing homes must prepare a correction plan to address most deficiencies.
 - State surveyors may conduct revisit surveys to ensure that the homes implemented their plans and corrected the deficiencies.
- CMS generally imposes sanctions for serious deficiencies which may result in the termination of a nursing home's participation in Medicare and Medicaid programs.

*Deficiencies are classified according to scope (i.e., the number of residents potentially or actually affected) and severity (i.e., the degree of relative harm involved).



Background (cont.)

Nursing Home Inspection Process

- CMS is required to ensure the reliability of state survey agencies' routine surveys by conducting federal monitoring surveys. According to CMS, these consist of two types of reviews—comparative and observational surveys.
 - In a comparative survey, a federal survey team conducts an independent inspection of a home recently surveyed by a state survey agency in order to compare and contrast its findings with those of the state survey team.
 - In an observational survey, federal surveyors accompany a state survey team to a nursing home to evaluate how well the state surveyors identify and investigate concerns and document deficiencies.



Background (cont.)

Traditional Routine Survey Process

- The traditional process for routine surveys involves offsite preparation as well as an on-site inspection.
 - During offsite survey preparation, surveyors identify at-risk residents and facility-related areas of concern to focus on during the on-site inspection by reviewing various sources of information and relying on their professional judgment.*
 - During on-site inspections, surveyors review the quality of care provided to select residents by interviewing and observing residents; interviewing residents' family members; reviewing medical records; and observing staff and nursing home conditions and practices. Throughout this process, surveyors manually complete a paper-based questionnaire to document findings.

*Information reviewed includes reports containing demographic information about residents, previous survey findings regarding facilities and their residents, and the facility's status on various quality measures as compared to state and national averages.



Background (cont.)

Development of the QIS

- In 1998, CMS began to revise the traditional process used to conduct routine surveys. According to the agency, the new process—the QIS—was developed to:
 - Improve consistency and accuracy of surveys.
 - Improve documentation of survey findings.
 - Systematically review critical aspects of nursing home care.
 - During an inspection, focus survey resources on areas where the greatest quality concerns exist.



Background (cont.)

Comparison of the QIS & Traditional Process

- The approach used to conduct routine surveys largely remains the same with the introduction of the QIS.* Both the QIS and the traditional survey process involve:
 - analyzing information available about the facilities and their residents offsite to identify areas of care that have been historically problematic and residents who may be at higher risk for poor care;
 - interviewing residents, family members, and staff;
 - observing staff and nursing home practices;
 - reviewing medical records; and
 - citing deficiencies when necessary.

*Additionally, according to CMS officials, the underlying federal quality standards for nursing homes, as well as surveyor guidance on identifying deficiencies, were not changed due to the implementation of the QIS.



Background (cont.)

Comparison of the QIS & Traditional Process

- According to CMS officials, the QIS differs from the traditional survey process in two key areas:
 - The method of collecting, recording, and analyzing information and documenting findings during the onsite inspection.
 - The method of selecting residents to interview and observe and medical records to review during the onsite inspection.



Background (cont.)

Comparison of the QIS & Traditional Process

- Conducting the survey with QIS's specialized software on personal tablet computers is expected to enhance the survey process by
 - Guiding surveyors through the survey process to ensure that they ask all applicable questions and consider all applicable quality standards.
 - Allowing surveyors to electronically record observations and view guidance on their computers as they conduct the inspection.
 - Automatically synthesizing and organizing findings; for example, the software compares surveyors' preliminary findings with national quality thresholds and flags areas that exceed these thresholds for further inspection.



Background (cont.)

Comparison of the QIS & Traditional Process

- Using the traditional approach, surveyors select residents for the review using various sources of information combined with professional judgment. Using the QIS software, surveyors select a random sample of residents that is representative of the home's population.
 - The traditional process allows surveyors to review a group of residents—20 percent of the current facility census—and relies on the surveyors' use of various reports, data sets, guidance and professional judgment to select residents who may be at-risk for poor quality of care.
 - The QIS software allows surveyors to draw a larger, random sample of up to 70 residents.*

*Additional residents may be added to the sample at the surveyors' discretion.



Background (cont.)

Comparison of the QIS & Traditional Process

- According to CMS, the change in how residents are selected as part of the inspection allows surveyors to
 - Ensure that the number of residents interviewed and observed during the on-site inspection is sufficient to draw conclusions about the overall facility population.
 - Help ensure that a sufficient number of at-risk residents are included in the inspection. For example, the process helps ensure that newly admitted residents, who may be at higher risk for rehospitalization or functional decline, are included in the sample.



Results

- CMS's approach to implementing the QIS nationally relies on three main activities implemented concurrently over the span of several years:
 - Adopting a train-the-trainer approach to train state surveyors to use the QIS for routine surveys.
 - Gradual roll-out of the QIS with the goal of all routine surveys being conducted using the QIS.
 - Developing QIS-based tools to conduct federal monitoring surveys, revisit surveys, and complaint investigations.



Train-the-Trainer Approach

- In August 2009, CMS issued a national plan for training surveyors in states that had not yet begun QIS training:*
- Under this plan, CMS grouped states into training cohorts and then assigned each cohort to one of six training periods. Each cohort is comprised of surveyors from five to eight states. The first training period began in 2009; the last begins between June 2014 to June 2015.
- In each training period, CMS will train a small number of surveyors to (1) conduct routine surveys using the QIS and (2) train other surveyors in their states to use the QIS.

*Eleven states began QIS training prior to the issuance of this plan: Connecticut, Kansas, Ohio, Louisiana, Florida, Minnesota, North Carolina, New Mexico, West Virginia, Maryland, and Washington



Train-the-Trainer Approach (cont.)

- According to CMS officials, time needed to train all surveyors within a state could vary from one to three years depending on factors such as the number and availability of surveyors in any given state.
- The last CMS training period is scheduled to begin between June 2014 and June 2015. Therefore, training of all surveyors nationwide may not be completed until 2018.
- Budgetary concerns and other state-specific issues may cause states to postpone their training. For example, officials in one state requested to postpone training because they lacked funding to purchase the necessary tablet computers. CMS officials indicated that QIS implementation is mandatory and that this state has been added to the last scheduled training period.



Gradual Roll-out of the QIS

- QIS implementation involves the gradual roll-out of the QIS with the goal of conducting all routine surveys of nursing homes across the country using the QIS.
 - Until all surveyors in a state have been trained in the QIS, states may use both the QIS and the traditional survey processes for routine surveys. According to CMS, once all surveyors in a state have been trained in the QIS, all routine surveys should be conducted using the QIS.
 - States that have not yet begun to train surveyors in the QIS will continue to conduct routine surveys using the traditional survey process.



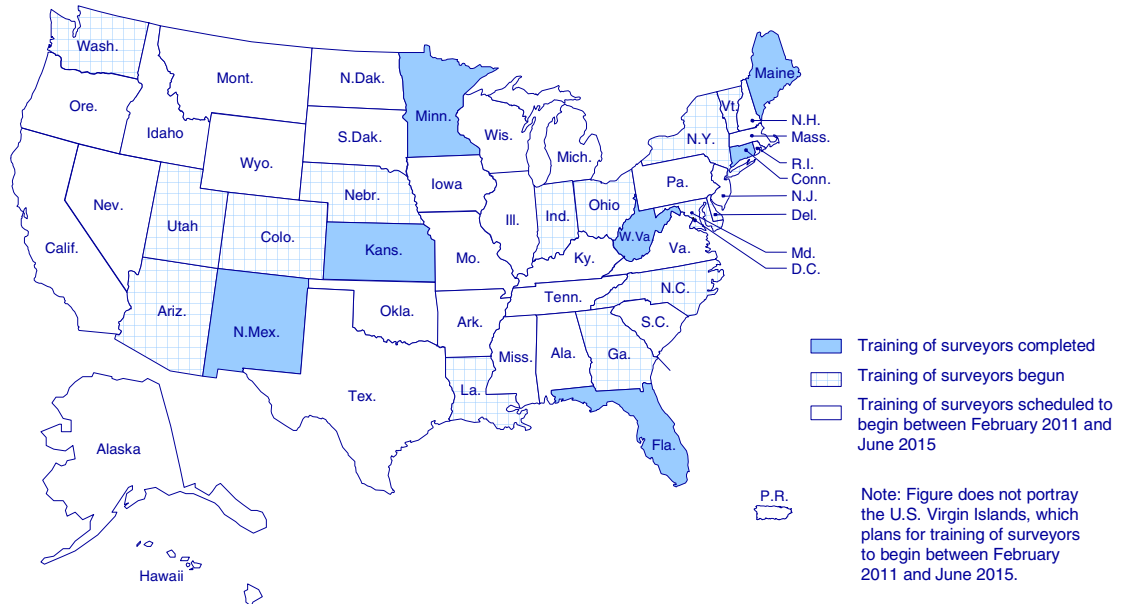
Gradual Roll-out of the QIS (cont.)

- As of February 2011,
 - 7 state survey agencies have completed training of all surveyors within their states.
 - 14 state survey agencies have started training surveyors within their states.
 - 32 state survey agencies are scheduled to start training surveyors between now and 2015.



Gradual Roll-out of the QIS (cont.)

States' QIS Training Status as of February 2011



Source: GAO analysis of CMS data.

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Gradual Roll-out of the QIS (cont.)

Routine Surveys Using the QIS, FY 2009- 2010*

State	Date that Training of Surveyors Started	Number of Routine Surveys**		Percent QIS-Based Routine Surveys**	
		FY09	FY10	FY09	FY10
Connecticut	9/2005	232	223	98.3	98.7
Kansas	9/2005	298	301	52.7	97.0
Florida	10/2006	665	690	79.5	99.1
Minnesota	1/2008	391	390	60.4	93.3
New Mexico	8/2008	72	65	47.2	72.3
West Virginia	2/2009	120	71	14.2	35.2
Maine	7/2009	106	107	10.4	96.3
Total		1,884	1,848	64.3	93.9

Two of the states that have completed training of surveyors are not using the QIS-based routine survey at or near 100%.

For these states, the percentage of QIS-based routine surveys has increased between FY 2009 and FY 2010.

Source: GAO analysis of CMS data.

* This table reflects data for those states that have completed training of all surveyors.

** As of February 2011, CMS data for FY10 are not complete, and these numbers are subject to change.



Development of other QIS-based Tools

- According to CMS officials, the agency is also developing QIS-based tools to conduct
 - revisit surveys,
 - complaint investigations, and
 - federal monitoring surveys.
- As of February 2011, the QIS-based tools are still under development.



Agency Comments

- We provided a draft of these briefing slides to the Department of Health and Human Services (HHS) for comment. HHS provided technical comments, which we incorporated as appropriate.

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