NURSING HOMES

CMS's Special Focus Facility Methodology Should Better Target the Most Poorly Performing Homes, Which Tended to Be Chain Affiliated and For-Profit

Why GAO Did This Study

In 1998, CMS established the Special Focus Facility (SFF) Program as one way to address poor performance by nursing homes. The SFF methodology assigns points to deficiencies cited on standard surveys and complaint investigations, and to revisits conducted to ensure that deficiencies have been corrected. CMS uses its methodology periodically to identify candidates for the program—nursing homes with the 15 worst scores in each state—but the program is limited to 136 homes at any point in time because of resource constraints. In 2008, CMS introduced a Five-Star Quality Rating System that draws on the SFF methodology to rank homes from one to five stars. GAO assessed CMS's SFF methodology, applied it on a nationwide basis using statistical scoring thresholds, and adopted several refinements to the methodology. Using this approach, GAO determined (1) the number of most poorly performing homes nationwide, (2) how their performance compared to that of homes identified using the SFF methodology, and (3) the characteristics of such homes.

What GAO Recommends

GAO is recommending that the CMS Administrator consider a home's relative performance nationally when allocating SFFs across states and take actions to refine the SFF methodology to improve the identification of SFFs. CMS generally agreed in principle with our recommendations and said that it would evaluate the effects of adopting them.

View GAO-09-689 or key components.
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What GAO Found

According to GAO's estimate, almost 4 percent (580) of the roughly 16,000 nursing homes in the United States could be considered the most poorly performing. These 580 homes overlap somewhat with the 755 SFF Program candidates—the 15 worst homes in each state—and the 136 homes actually selected by states as SFFs. For example, GAO's estimate includes 40 percent of SFF Program candidates and about half of the active SFFs as of December 2008 and February 2009, respectively. Under GAO's estimate, however, the most poorly performing homes are distributed unevenly across states, with 8 states having no such homes and 10 others having from 21 to 52 such homes.

CMS has structured the SFF Program so that every state (except Alaska) has at least one SFF even though the worst performing homes in each *state* are not necessarily the worst performing homes in the *nation*. To identify the worst homes in the nation, GAO applied CMS's SFF methodology on a nationwide basis using statistical scoring thresholds and made three refinements to that methodology, which strengthened GAO's estimate. The scoring thresholds were (1) necessary because there were no natural break points that delineated the most poorly performing homes from all other nursing homes and (2) conservative, focusing on chronic poor performance generally over a 2- or 3-year period or very poor performance over about 1 year. The most poorly performing homes identified by GAO averaged over 46 percent more serious deficiencies that caused harm to residents and over 19 percent more deficiencies that placed residents at risk of death or serious injury (immediate jeopardy), compared to the 755 SFF Program candidates identified by CMS's approach. GAO's three refinements to CMS's SFF methodology had a moderate effect on the composition of the list of homes that GAO identified as the most poorly performing. First, deficiency points from CMS's Five-Star Quality Rating System were used because they decreased the disparity between immediate jeopardy and lower-level deficiencies, such as those with the potential for more than minimal harm, which compensates somewhat for the understatement of serious deficiencies in some states. Second, homes received extra points when certain actual harm deficiencies occurred in standards areas that CMS categorizes as substandard quality of care, an important change because we found that many homes had at least one such deficiency. Third, the full deficiency history of homes was included. CMS recognizes that its methodology overlooks deficiencies for some homes, which almost always results in scores that are lower than if all deficiencies were included in the scores.

GAO found that the most poorly performing nursing homes had notably more deficiencies with the potential for more than minimal harm or higher and more revisits than all other nursing homes. For example, the most poorly performing nursing homes averaged about 56 such deficiencies and 2 revisits, compared to about 20 such deficiencies and less than 1 revisit for all other homes. In addition, the most poorly performing homes tended to be chain affiliated and for-profit and have more beds and residents.

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