

April 18, 2016

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:

We commend the Centers for Medicare & Medicaid Services (CMS) for developing Hospital Star Ratings, and urge the agency to move as quickly as possible to complete and post these Star Ratings on *Hospital Compare*. The Pacific Business Group on Health (PBGH) is a non-profit organization comprised of private employers and public agencies, focused on improving the quality and affordability of health care in the United States. We are deeply committed to ensuring performance measures are meaningful, actionable, and transparent. Hospital Star Ratings will be a valued and important tool for both purchasers and consumers, allowing each to make informed, value-based decisions in the healthcare they purchase and receive.

CMS has made a laudable commitment to making hospital quality transparent to the public- a commitment that has continued under numerous agency leaders; Hospital Star Ratings is the logical and necessary next step in this work. In addition to supporting the improved usability and interpretability of information posted on *Hospital Compare*, we also applaud Hospital Star Ratings for incorporating high-value measures in the composite rating: Outcome measures addressing mortality, readmissions and safety, and patient experience measures. We should not delay making this easily useable and highly valuable information available to purchasers and consumers who are, every day, making important health care decisions.

We are aware that there is ongoing research examining the application of risk-adjustment to measures used in this composite. However, this research has already produced ample evidence that the risk-adjustment for socioeconomic status has little impact on the hospitals' performance on these measures. Therefore, given the immediate value it would bring to purchasers, we do not believe this is justification enough to delay implementation of the Hospital Star Ratings.

Once again, we commend CMS for the development of Hospital Star Ratings. This represents a significant step forward in transparency, and in enabling both purchasers and consumers to make informed, value-based decisions regarding the healthcare they purchase and receive. We strongly urge CMS to implement Hospital Star Ratings as soon as possible. Thank you for considering our position.

Sincerely,

William Kramer
Executive Director for National Health Policy
Pacific Business Group on Health