

July 15, 2016

Andy Slavitt  
Acting Administrator  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244

**RE: Hospital Star Ratings on *Hospital Compare***

Dear Acting Administrator Slavitt:

We commend the Centers for Medicare & Medicaid Services (CMS) for developing Hospital Star Ratings, which will be a valued and important tool for consumers looking to make informed choices about their hospital care. Indeed, consumers and purchasers strongly support the program and eagerly await its implementation. 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 allow purchasers and consumers to make informed, value-based decisions about the healthcare they purchase and receive. **We urge the agency to post the Overall Hospital Star Ratings on *Hospital Compare* within the month (July 2016) so consumers and purchasers can begin to benefit from them.**

As we noted in [our April letter](#), we applaud CMS for its commitment to making hospital quality transparent. The Hospital Star Ratings are an important evolution of the information on *Hospital Compare*: the stars will make the information already on the website more understandable and usable for consumers, and will make critical high-value information about mortality, readmissions, safety, and patient experience accessible.

The items included in the Star Ratings are strong measures that have been vetted by multiple stakeholders. The Star Ratings program includes measures that have gone through rigorous endorsement processes by consensus-based multi-stakeholder entities like the National Quality Forum (NQF) in which the measures are assessed for importance, reliability, validity, and feasibility; as a result, the measures meet a high bar and reflect the priorities and needs of a wide range of stakeholders. In addition, the substantial work CMS undertook to garner input from consumers showed that consumers need and will benefit from the Star Ratings program as it is currently designed.

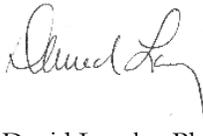
The Star Ratings represent one piece of information on common conditions that will help make performance information understandable and useful to consumers who are, every day, making

important healthcare decisions. We strongly urge you to make this easily useful and highly valuable information available now.

We are aware that other stakeholders have raised concerns about the data available for these measures and the possible implications of patients' socioeconomic status (SES) on hospital performance on measures included in the Hospital Star Ratings composites. Research has already produced ample evidence that the risk-adjustment for SES has little impact on hospitals' performance scores. The ongoing NQF project to assess the need to risk-adjust performance measures has not recommended risk adjustment for any reviewed measure. Waiting for further evidence is unnecessary, and CMS should not delay implementing the Hospital Star Ratings program. Should future research produce new information, adjustments to the program methodology can be made at that point.

Once again, we commend CMS for developing the Hospital Star Ratings program. The overall star ratings represent a significant step forward in transparency, and in enabling purchasers and consumers to make informed, value-based decisions about the healthcare they purchase and receive. Please do not further delay implementation. If you have any questions about our position, please contact Stephanie Glier, Senior Manager at the Pacific Business Group on Health, at [sglier@pbgh.org](mailto:sglier@pbgh.org) or 415-615-6341.

Sincerely,



David Lansky, PhD  
President & CEO  
Pacific Business Group on Health

cc: Patrick Conway, MD, MSc  
Acting Principal Deputy Administrator, Deputy Administrator for Innovation & Quality, CMS Chief Medical Officer  
Centers for Medicare & Medicaid Services

Kate Goodrich, MD  
Director, Center for Clinical Standards and Quality  
Centers for Medicare & Medicaid Services