

**STATEMENT  
Of**



***For the***  
**U.S. Senate**  
**Subcommittee on Health Care of the Committee on Finance**  
  
***Hearing on***  
**“What is Health Care Quality and Who Decides?”**

**March 18, 2009**

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The American Health Care Association and National Center for Assisted Living (AHCA/NCAL), which represent nearly 11,000 dedicated long term care providers, commend Chairman Jay Rockefeller and Ranking Member Orrin Hatch and the members of this committee for holding this hearing and for asking a fundamental question, “What is Health Care Quality and Who Decides?” For long term care providers, the answer to that question must come from the health care consumer and accompany the answer to yet another key question—how is quality measured and who decides what measures are not only valid, but meaningful to the health care consumer?

**Consumer-Defined Quality**

As the majority of Americans will require long term care services at some point in their lives, this Committee’s effort to address these critical questions now is especially important as we look toward much-needed, national health care reform—reform that AHCA/NCAL believes must include and address Americans’ long term care needs.

To begin, we must understand—from the viewpoint of the health care consumer—what consumers want, need, and expect when it comes to long term care and other health care services. “Quality” will surely be at the top of a consumer’s list, and not just quality of care, but quality of life. Perhaps the best way to answer the question, “What is Health Care Quality and Who Decides?” is to ask consumers – actual health care consumers and not just those who claim to represent the consumer voice – to define quality. Once consumers have defined quality and have articulated what care and services they want and need, then providers can adapt to meet consumers’ expectations.

## **Reforming Oversight Around Consumer Expectations**

As we consider health care from the consumer's perspective, we cannot ignore the impact that regulatory reform could have on quality long term care. Today's regulatory and oversight system for nursing homes does little to recognize or reward quality outcomes – in fact, it defines “success” and quality in a context that is often measured by the level of fines levied and the violations tallied – not by the quality of care, or quality of life.

While it may be a fine point, it is important to note in the context of health care reform that the Quality Measures (QMs) now used by the Centers for Medicare & Medicaid Services (CMS) to evaluate nursing home care were developed as a means for measuring quality improvement – not care quality. For example, a QM that looks at the prevalence of a particular patient condition tells us more about the patient population being treated in long term care than it does about whether that condition is related to the care received. In other words, QMs can provide valuable information if the goal is quality improvement; however, these QMs are limited in terms of being meaningful to anyone interested in evaluating the quality of care that patients and residents are receiving.

With CMS presiding “over 150 regulatory standards<sup>1</sup> that nursing homes must meet at all times,” it is little wonder that consumers would seek a simple way to assess quality nursing home care. Unfortunately, CMS' answer to the consumer – its Five Star Quality Rating System – fails to help consumers make sound, health care decisions.

Based on a flawed survey system that was never designed to measure quality, but rather compliance with federal regulations, the Five Star system includes inaccurate and out-of-date information, while predetermining that 20 percent of all facilities would achieve a status of only 1 star. At best, this system merely adds to the confusion around how we define and reward quality care. At worst, this system ignores the laws of logic as CMS purports to use Five Star as a means of encouraging providers to improve care, while in fact, it restricts the 5 star category to only 10 percent of all facilities. Moreover, to say that consumers are not going to see a Zagat-like rating guide as a measure of poor, average, and best nursing homes is to ignore human nature.

Just as every one of our nation's nursing home residents deserves the highest quality nursing home care, consumers deserve accurate, consistent and comparable data when choosing a nursing facility for a loved one. Satisfaction of patients, residents, and family members is a critical measure of quality, which is why AHCA/NCAL has encouraged our membership to survey resident, family, and employee satisfaction. In May 2008, My InnerView, Inc. (MIV), which offers Web-based quality management systems, released its independent, annual report on patient and family satisfaction for the care and services provided in nursing facilities. The report's findings indicate that the vast majority of consumers (82 percent) nationwide are very satisfied with the care provided at our nation's nursing homes, and 88 percent of respondents would rate care as either good or excellent.”

A January 2006 GAO report on nursing home oversight indicates that the nation's Survey and Enforcement System for nursing homes is consistently inconsistent, with significant

variations from state to state. AHCA and our members have long maintained that a one-dimensional punitive approach does not get to the overall goal of achieving quality care.

In looking at our survey and enforcement system, what most people have not considered is how the survey process impacts caregivers in nursing homes. The system focuses solely on operational shortcomings with rare positive acknowledgement for the quality of services provided. Certainly, surveys must first protect the health and safety of residents, and also be fair, accurate, and consistent. But, if we are to improve care, we must also begin to recognize our most valuable resource—the human capital that work within our facilities and within our profession.

### **Human Capital – Addressing the Workforce Shortage**

A common theme echoed by presenters at a recent Institute of Medicine (IOM) symposium focusing on the IOM report, *Retooling for an Aging America: Building the Health Care Workforce*, was the need for more health care professionals who are trained in geriatric care, including: nurses, oral health workers, pharmacists, physician assistants, physicians, and social workers. AHCA/NCAL agrees—a well-trained nursing staff is essential to quality long term care, which is why the current healthcare workforce and nurse educator shortage requires immediate attention.

AHCA's *Vacancy & Turnover Survey* released in late 2008 indicates that there are more than 110,000 vacant nursing positions nationwide. More than two-thirds of nursing schools have vacant faculty positions, many lack the resources to fill or create new positions. In 2005, the National League of Nursing estimated that more than 147,000 qualified applicants were denied admission to nursing schools because the schools did not have enough nurse educators. With the projected need for long term care workers equal to 800,000 new jobs in this decade, we cannot afford any more delay in addressing today's workforce shortage. Retaining this workforce is also a challenge—again, one that is made more difficult by a survey and enforcement system that foregoes acknowledging the quality of services provided in favor of focusing solely on operational shortcomings.

### **Realigning Priorities to Reflect Our Society's Values**

The investments we make now will affect the quality of long term care in the future. With a financing system that pays for the care consumers expect; an oversight system that is fair, consistent, and rewards quality; and a workforce that meets the growing needs of our nation, we have the components for a system that encourages transparency, accountability, and continued improvement in quality care.

None of us would have wished for the economic upheaval our country is experiencing. Yet, we welcome the opportunity to do as President Obama has said—to respond to this economic upheaval with big ideas and bold action that will realign our nation's budgetary priorities with our society's values.

The fact is healthcare reform has been delayed – and long term care has been left on the sidelines—for far too long. Now is the time to change that fact. In the coming weeks, Avalere Health will be releasing an update to last year’s *Long Term and Post-Acute Care Financing Reform Proposal* for reforming both financing and delivery of long term and post-acute care. We understand from Avalere Health, which has worked with AHCA/ NCAL and the Alliance for Quality Nursing Home Care on this proposal, that the update will include conservative cost-estimates that illustrate how the comprehensive reform plan will provide budgetary savings over time. We look forward to sharing this proposal and its recommendations for maximizing patient preferences and program value by ensuring that patients are cared for in the most clinically appropriate, high quality setting.

As caregivers, we know that patients and families are the ultimate arbiters of the quality we provide. The American Health Care Association and National Center for Assisted Living stand ready to work with Chairman Rockefeller, Ranking Member Hatch, and all who have a stake in reforming our nation’s health care system to achieve person-centered, cost-effective, quality health care for all Americans.

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<sup>i</sup> Source: “About Nursing Home Inspections,” see <http://www.medicare.gov/Nursing/AboutInspections.asp>.