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POORLY PERFORMING NURSING HOMES

Special Focus Facilities Are Often Improving, but CMS's Program Could be Strengthened

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Highlights

Highlights of GAO-10-197, a report to congressional requesters

Why GAO Did This Study

CMS established the Special Focus Facility (SFF) Program in 1998 to help address poor nursing home performance. States select a subset of homes as SFFs from a list of the 15 poorest performing homes in each state, but the program is limited to 136 homes nationwide because of resource constraints. CMS guidance directs states to survey SFFs twice as frequently as other homes and to propose more robust enforcement, including termination, for SFFs that fail to improve within about 18 months. GAO was asked to (1) determine the factors states consider in selecting SFFs and how SFFs differed from other nursing homes, (2) evaluate CMS regional office and state adherence to program guidance and the program's impact on homes' performance, and (3) identify other strategies that have been used to improve poorly performing homes. In general, GAO's analysis used CMS data from 2005 through 2009 on SFFs and other homes as well as interviews with officials in 14 states selected based on the number of SFFs in each state and other factors.

What GAO Recommends

GAO is recommending that the CMS Administrator take six actions to strengthen the SFF Program, including (1) notifying homes that are on the SFF candidate list and (2) seeking legislative authority to charge SFFs for the costs of conducting additional surveys. HHS generally agreed with five of GAO's recommendations and said it would consider the other.

View GAO-10-197 or key components.
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What GAO Found

When selecting SFFs from the candidate list, state officials considered factors other than rank on that list, such as their own knowledge of each candidate's circumstances. For example, state officials might not select a nursing home as an SFF if the home had a new owner they perceived as committed to addressing the home's quality problems. GAO found that states selected SFFs from among the five worst-ranked candidates about 57 percent of the time from January 2006 through February 2009. State discretion in selecting SFFs is key not only because of states' familiarity with each candidate's circumstances but because the list has limitations. Some officials from the 14 states that GAO interviewed noted that candidate lists included current SFFs, resulting in an insufficient number of homes from which to select new SFFs. The characteristics of SFFs differed from those of other nursing homes in terms of organization type and the number of beds and residents. For example, SFFs were more likely than other homes to be chain affiliated and for-profit and to have more beds and more total residents.

GAO found that some states did not consistently follow CMS's basic SFF Program requirements. When CMS began monitoring SFF survey frequency in fiscal year 2008, 8 states did not conduct twice as many surveys for SFFs as required—a significant improvement compared to 26 states in the previous fiscal year. GAO also found that CMS's enforcement guidance is vague and results in inconsistent interpretations. For example, one SFF was assessed no civil money penalties (CMP) even though it was cited for consecutive deficiencies that could have resulted in fines of up to $825 per day of noncompliance while a home with a similar compliance history was assessed CMPs that increased from $300 to $600 per day of noncompliance. Most SFFs did eventually graduate, but not all met CMS's graduation criteria, and some SFFs remained in the program well beyond CMS's expected 18-month time frame for improvement. For example, 17 percent of active SFFs as of February 2009 had been in the program for 25 months or longer—some since 2005. However, most graduates showed significant improvement while in the program but some failed to sustain that improved performance after graduation.

CMS and states have used a variety of additional strategies to help address care problems identified at SFFs and other nursing homes. For example, a few CMS regional offices have negotiated agreements requiring SFFs to take specific actions, such as hiring quality improvement consultants. In addition, each year one SFF per state can volunteer to work with an organization under contract with CMS to deal more directly with the root causes of poor quality. Some states have adopted their own quality improvement strategies that offer assistance to both poorly performing and other homes, including on-site technical assistance from nurse consultants or monthly training opportunities for nursing home staff on the most frequently cited care problems. Further, one state charges homes for the cost of additional surveys that it conducts under a program that resembles the SFF Program.