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The Administrator's Guide to Five-Star Staffing

Introduction

CMS has found that workforce levels influence the quality of care delivered in skilled nursing facilities, with more professionals corresponding to higher quality care. CMS uses Payroll-Based Journal (PBJ) data and daily resident census data from the Minimum Data Set (MDS) to assign a facility's staffing rating. It also uses MDS Version 3.0 assessments by nursing case-mix groups (CMGs) from the Patient Driven Payment Model (PDPM).
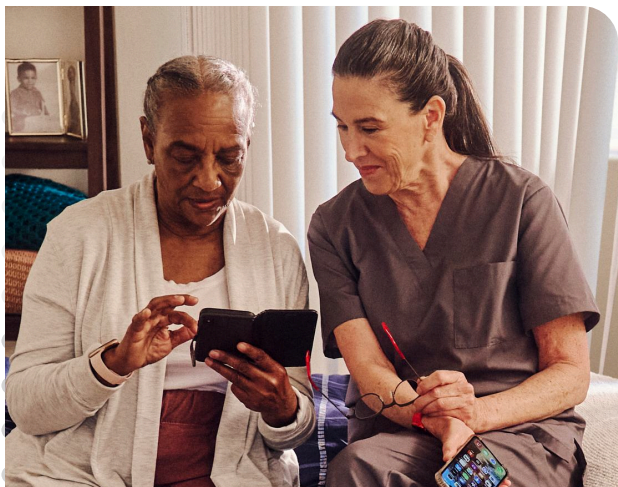
How CMS calculates the Staffing Rating

Staffing is measured quarterly. If a facility gets five stars for staffing, CMS adds one star to the overall rating (except in cases where the rating is capped, such as when a facility has been cited for abuse). If the Staffing Rating is one star, then one star is subtracted from the overall rating. Facilities can affect their Staffing Rating in the short term, unlike Health Inspections and Quality Measures, which are reviewed on a longer timetable.

Case-mix adjusted staffing

To calculate the Staffing Rating, CMS uses a facility's quarterly submitted PBJ data and daily resident census data derived from MDS (Version 3.0) assessments. That data is then adjusted by nursing case-mix groups (CMGs) from the Patient Driven Payment Model (PDPM).

About the Patient Driven Payment Model (PDPM)

The PDPM contains five case-mix adjusted components: Physical therapy (PT), occupational therapy (OT), speech-language pathology (SLP), nursing, and non-therapy ancillary services (NTA).

About the MDS 3.0 Resident Assessment Instrument (RAI)

MDS RAI 3.0 is CMS's standardized assessment tool for evaluating residents' clinical, functional and psychological status. The manual is regularly updated; CMS's MDS 3.0 RAI update page is also linked in the resource section.

How points (and stars) are assigned: Case-mix adjusted staffing and turnover

CMS assigns a maximum of 380 total points over the following six categories:

1. Case-mix adjusted total mix staffing: 100 points
2. Case-mix adjusted RN staffing: 100 points
3. Case-mix adjusted total nurse staffing on the weekends: 50 points
4. Total nurse turnover: 50 points
5. Total RN turnover: 50 points
6. Total administrator turnover: 30 points

The sum of those points correspond to a star rating.

How your Staffing Star is calculated

Stars	Points
★	Fewer than 155
★★	155–204
★★★	
★★★★	
★★★★★	

Point distribution

In the staffing rating, more points translate to a better score. Higher case-mix adjusted staffing levels receive more points, as do lower turnover levels. For all but the last staffing metric, administrator turnover, facilities are assigned points based on national deciles. Like health inspections and quality measures, staffing is graded on a curve. Facilities with staffing levels in the lowest deciles receive the fewest points.

Staffing measures

Case-mix adjusted total mix staffing: 100 points total

1. A quarter's worth of case-mix adjusted RN, LPN and nurse aide hours per resident day, averaged across all days of the week (Sunday through Saturday).
2. The facility is grouped into a decile according to the national distribution of the measure.
3. Facilities in the lowest national decile receive 10 points, and points are given in increments of 10.

Case-mix adjusted RN staffing: 100 points total

1. A quarter's worth of case-adjusted RN hours averaged across seven days (Sunday through Saturday).
2. The facility is grouped into a decile according to the national distribution of the measure.
3. Facilities in the lowest national decile receive 10 points, and points are given in increments of 10.

Case-mix adjusted total nurse staffing on the weekends: 50 points total

1. A quarter's worth of case-adjusted RN, LPN and nurse aide hours) averaged across all Saturdays and Sundays.
2. The facility is grouped into a decile based on the national distribution of the measure.
3. Facilities in the lowest national decile receive five points, and points are given in increments of five.

Formula for case-mix adjusted hours per resident day

[Reported (PBJ) hours **/** Case-mix hours] **X** National average Case-mix hours.** **=** Case mix adjusted hours per resident day

Turnover measures

To calculate turnover rates, CMS uses two metrics:

Numerator: The number of individuals who have not worked at all for at least 90 consecutive days, measured across five quarters.
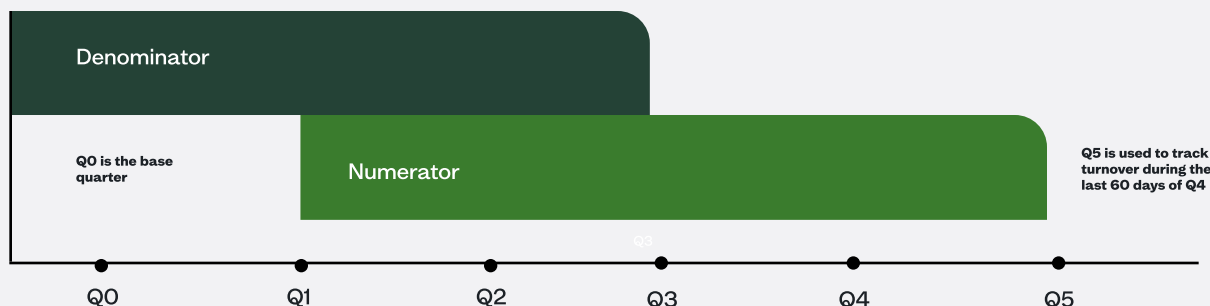
Denominator: The number of individuals who worked at least 120 hours in a 90-day period, taken across three quarters, starting with the quarter before the time frame being reported (the base quarter).

Numerator/Denominator = Turnover percentage

If an independent professional or other contracted worker completes 120 or more hours in a 90-day period, they will be included in the turnover calculation. A 90-day or more gap in employment is considered turnover, even if the employee currently works at the facility.

**The National Average Hours are updated every quarter. Find them in the "State U.S. Averages Table" in the "Provider Data Catalog." (Links to both in the resources section.)

How CMS calculates turnover rates

Denominator

Numerator

Q0 is the base quarter

Q5 is used to track turnover during the last 60 days of Q4

Q0   Q1   Q2   Q3   Q4   Q5

Numerator/Denominator = Turnover percentage

Total nurse turnover: 50 points total

1. The percentage of total nursing staff (RNs, LPNs and CNAs) that left the facility over a twelve-month period.
2. The facility is grouped into a decile based on the national distribution of the measure.
3. Facilities in the lowest national decile (with the most turnover) receive five points, and points are given in increments of five.

Total RN turnover: 50 points total

1. The percentage of RNs who left the facility over a twelve-month period.
2. The facility is grouped into a decile based on the national distribution of the measure.
3. Facilities in the lowest national decile (with the most turnover) receive five points, and points are given in increments of five.

Total administrator turnover: 30 points total

1. No administrator departures, 30 points.
2. One departure, 25 points.
3. Two or more, 10 points.

(When a facility has five or more administrators working on four or more days per quarter, the administrator turnover metric is excluded from the final calculation.)

The importance of PBJ reporting

CMS regularly conducts PBJ data audits in cases where data appears to be inaccurate or improbable. These audits may be conducted on- or off-site, and providers have two weeks from receiving noncompliance notices to provide all requested materials.

Penalties for missing or bad PBJ data

If a provider reports what CMS considers "excessively high" or improbable staffing numbers, their staffing data will be reported as "Not Available" on Medicare.gov's Care Compare website. Facilities that fail to submit staffing data will receive the lowest score possible for corresponding staff turnover measures.

When missing or bad PBJ data can result in the immediate issue of a One-Star Rating

1. PBJ data is submitted past the quarterly deadline.
2. The PBJ data audit shows significant discrepancies between reported hours and hours verified.
3. Zero RN hours are reported for four or more days in a quarter. (This includes hours from RNs, RNs with administrative duties and Director of Nursing hours.)
4. Zero total nurse staffing hours are reported over all days in the quarter.
5. Zero total nurse staffing hours are reported over all weekend days in the quarter.

Common errors in PBJ reporting

- Employees reported working more than 300 hours.
- Days with no reported RN hours.
- Employees who do not show a meal break deduction within each shift less than 16 hours.
- Inclusion of any non-direct care hours reported within direct care job codes.
- Failing to assign a unique identifier for each individual.
- Submission of inaccurate or delayed MDS assessments.
- Failing to exclude time staff spends providing care to individuals in non-certified beds.
- Failing to deduct a 30-minute meal break for each 8-hour shift worked, regardless of whether or not that break was taken and whether or not that break was paid or unpaid.

Avoiding staffing measure citations

When and why citations are given

Citations are given when a facility does not meet the minimum requirements for Sufficient Nursing Staff (SS) at F725.

From 2018 to 2020, 2,625 citations were given across all states, and only 105 of those were flagged as causing "actual harm" or "immediate jeopardy." CMS can levy civil monetary penalties (CMPs) or impose sanctions like Denial of Payment for New Admissions (DPNA) when serious noncompliance is found, but, in practice, such staffing penalties are uncommon.

A couple factors could bring about stricter enforcement.

Surveyors will be scrutinizing PBJ data to determine whether a facility:

1. Reported no RN hours (F727)
2. Failed to have Licensed Nursing Coverage 24-hours/day (F725)
3. Reported excessively low weekend staffing (F725)
4. Has a One-Star Staffing Rating (F725)
5. Failed to submit PBJ data for the quarter (F851)

Additionally, CMS's "FY 25 Skilled Nursing Facility Prospective Payment System Final Rule" (CMS 1802-F) proposes to increase its ability to leverage CMPs for violations.

States with minimum staffing ratios

State staffing regulations are in effect throughout the U.S. While penalties and enforcement vary, skilled nursing facilities in many states with these regulations can apply for waivers, and it appears that states are willing to give out those waivers.

For example, California regulators cited approximately one-third (about 400) of the state's skilled nursing facilities for failing to meet the 3.5 HPRD staffing requirement, which has been in effect for two decades, but waived the requirement for 236 that could not meet it due to workforce shortages. For information on your state's regulations, contact your local health department.

Five-star staffing

Getting a Five-Star Staffing Rating can add a star to your overall Five-Star Quality Rating. Here are some tips for achieving five-star staffing:

- Focus on employee recruitment and retention strategies.
- Conduct regular pulse surveys to learn how your employees feel about working in your facility.
  - Implement changes based on their feedback.
- Consider offering retention bonuses.
- Engage external workers to help you offer employees more schedule flexibility.
- Invest in technology that engages employees in your organization and enables them to have more autonomy over their schedule.

Our "Solutions to Healthcare Burnout Report" found that 97% of healthcare professionals feel like they need more flexibility at work, so offering more flexibility can go a long way in helping you reduce turnover. Other top desires are professional development opportunities and increased pay. Any recruitment and retention efforts you make are investments in your employees, your residents and the future of your organization.

Download our other Five-Star Quality Rating guides

We've created a series guides designed to help you increase your CMS Quality Rating. You can download the rest of them for free:

Avoiding Citations: The Administrator's Guide to the CMS Quality Rating System

The Administrator's Guide to Five-Star Health Inspections

The Administrator's Guide to Five-Star Quality Measures

About ShiftKey

ShiftKey is a technology company committed to transforming healthcare by leveraging data and a marketplace approach to connect independent licensed professionals with facilities with open workforce needs. ShiftKey is playing a vital role in advancing empowered work, stability and solutions for professionals, facilities and the people and communities they serve. With 10,000 healthcare facilities and hundreds of thousands of independent licensed professionals on the platform, ShiftKey is the market leader in strategic workforce solutions, driving a more sustainable, inclusive and profitable workforce economy for the future.

For more information, visit www.ShiftKey.com.
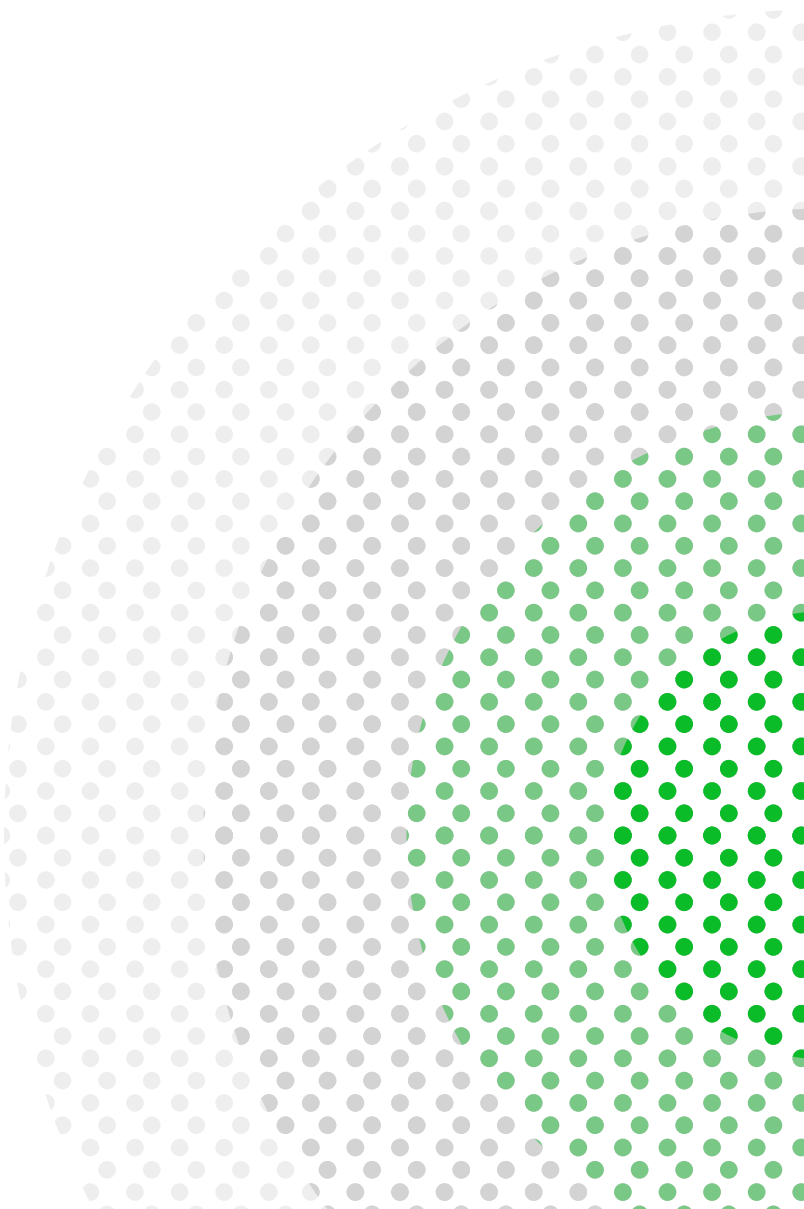
Resources and references

Overall Quality Rating

"Five-Star Quality Rating System" (CMS).

"Design for Care Compare Nursing Home Five-Star Quality Rating System: Technical Users' Guide" (CMS).

"State Operations Manual" (CMS).

"Contact Information for State Survey Agencies" (CMS).

"Long-Term Care Surveyor Guidance Updates Jan 15" (CMS).

"The Five-Star Quality Rating System's Impact on Insurance Premiums — and How to Address Them" (McKnights).

"Five-Star Ratings 2018" (LeadingAge Illinois).

"Federal Policy Guidance 2022" (Medicaid.gov).

"The Administrator's Guide to CMS's 2025 Surveyor Guidance Updates" (ShiftKey).

Staffing

"Patient Driven Payment Model" (CMS).

"SNF PPS: Patient Driven Payment Model" (CMS).

"Minimum Data Set (MDS) 3.0 Resident Assessment Instrument (RAI) Manual" (CMS).

"Minimum Data Set Frequency" (CMS).

"State US Averages Table" (CMS).

"Provider Data Catalog" (CMS).

"Report: Nurse Staffing Deficiencies" (Center for Medicare Advocacy, 2019).

"States Set Minimum Staffing Levels for Nursing Homes. Residents Suffer When Rules Are Ignored or Waived" (KFF).

"Broken Promises: An Assessment of Federal Data on Nursing Home Oversight" (The Long Term Care Community, 2021).

"Analysis: States' Minimum Nurse Staffing Laws are Ignored and Unenforced" (Center for Medicare Advocacy).

"FY 25 Skilled Nursing Facility Prospective Payment System Final Rule" (CMS 1802-F).

"REVISED: Updates to Nursing Home Care Compare Staffing and Quality Measures" (CMS).

"Five-Star Staffing Guide" (OnShift).