

## **The Rural Hospice Demonstration Solicitation**

**SUMMARY:** This solicitation provides interested parties with the information necessary to apply for participation in the rural hospice demonstration. The demonstration is designed to test whether hospice services provided by a demonstration hospice program to Medicare beneficiaries who lack an appropriate caregiver and who reside in rural areas results in wider access, improved hospice services, benefits to the rural community, and a sustainable pattern of care. A competitive application process will be used to select up to three hospice organizations or agencies to participate in this demonstration. The demonstration is planned for up to 5 years.

**DATES:** Applications will be considered timely if we receive them on or before June 6, 2005.

**ADDRESSES:** Mail applications to: Department of Health and Human Services, Centers for Medicare & Medicaid Services, Office of Research, Development, and Information, Medicare Demonstration Program Group, Attn: Cindy Massuda, Mail Stop: C4-17-27, 7500 Security Boulevard, Baltimore, Maryland 21244-1850. Applications must be typed for clarity and should not exceed 30 double-spaced pages, exclusive of the executive summary, resumes, forms, and documentation supporting the cost proposal. Because of staffing and resource limitations, we cannot accept applications by facsimile (FAX) transmission. Applications postmarked after the closing date, or postmarked on or before the closing date but not received in time for panel review, will be considered late applications.

**FOR FURTHER INFORMATION CONTACT:** Cindy Massuda, CMS Project Officer, at (410) 786-0652, or [cmassuda@cms.hhs.gov](mailto:cmassuda@cms.hhs.gov).

### **Eligible Organizations**

In order for a hospice organization or agency to participate in this demonstration, it must be Medicare certified and meet all of the Medicare Conditions of Participation as described in subparts C (General Provisions), D (Core Services), and E (Other Services) of 42 CFR 418, except it shall not be required to offer services outside the facility or meet the 20 percent inpatient cap requirements of section 1861(dd)(2)(A)(iii) of the Social Security Act (SSA).

If an applicant for the demonstration is not currently certified by Medicare to provide hospice services, the applicant must provide sufficient information for a panel of reviewers to determine that the applicant will likely meet all requirements of the Medicare Conditions of Participation as described in subparts C (General Provisions), D (Core Services), and E (Other Services) of 42 CFR 418, unless waived by section 409 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) before the demonstration begins. The applicant should be familiar with Hospice Care, Conditions of Participation, at 42 CFR 418.50 through 418.100 and provide sufficient

information on these requirements for the review panel to be able to assess evaluation criteria specified in this solicitation.

## **SUPPLEMENTARY INFORMATION:**

### **I. Background**

#### A. Legislative Authority

Section 409 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, (Pub. L. 108-173) authorizes the Secretary to conduct a demonstration project for the delivery of hospice care to Medicare beneficiaries in rural areas. Under the demonstration, Medicare beneficiaries who are unable to receive hospice care at home for lack of an appropriate caregiver are provided such care in a facility of 20 or fewer beds that offers, within its walls, the full range of services provided by hospice programs under section 1861(dd) of the Social Security Act (42 U.S.C. 1395x(dd)).

Under the demonstration project, the hospice program shall comply with otherwise applicable requirements, except that it shall not be required to offer services outside of the hospice facility or to meet the requirements of section 1861(dd)(2)(A)(iii) of the Social Security Act (SSA) regarding the 20-percent cap on inpatient care days.

The Secretary may require the hospice demonstration to comply with additional quality assurance standards for provision of services. Upon completion of the project, the Secretary shall submit a report to the Congress on the project including recommendations regarding extensions to hospice programs serving rural areas.

#### B. The Rural Hospice Demonstration

The demonstration will be offered to up to three hospice programs and will not exceed a period of 5 years. The demonstration will test whether provisions of hospice services provided by a demonstration hospice program to Medicare beneficiaries who lack an appropriate caregiver and who reside in rural areas results in wider access, improved hospice services, benefits to the community, and a sustainable pattern of care. Hospice provides palliative care to individuals who have a terminal illness with a prognosis of 6 months or less. The care is provided typically in the individual's home or place of residence with family members present. Individuals who lack family or someone to serve as the primary caregiver need proportionately more support from hospice staff. Due to long distances and difficult terrain, it can be particularly difficult to provide the Medicare hospice benefit efficiently in rural areas. There may be situations where the hospice benefit could be provided to beneficiaries who would not otherwise be able to receive these services if the location of hospice care is altered. This demonstration will allow a hospice with up to 20 beds to provide all levels of hospice services within its walls to individuals who reside in rural areas and lack an appropriate caregiver, while not having to provide services outside of the hospice facility or comply with the 20-percent cap on inpatient care days.

While the demonstration provider will not have to meet the limit on inpatient care days or provide care outside of the facility, it will not alter the level of care requirements for general inpatient care. In order to provide general inpatient care to hospice patients, a hospice participating in the demonstration must assure that the need for general inpatient care is met according to Medicare guidelines. The demonstration will test whether hospice services provided by a facility that does not meet the limit on inpatient care days or provide services outside of the facility for hospice individuals residing in rural areas who lack an appropriate caregiver results in wider access, improved hospice services, benefits to the rural community, and a sustainable pattern of care.

The demonstration is designed for a demonstration hospice to provide the full range of services within its facility to Medicare beneficiaries who reside in rural areas and lack an appropriate caregiver. If a demonstration hospice provides care to any patient who either lives outside a rural area or has an appropriate caregiver, then the hospice must comply with all of Medicare hospice requirements at 1861(dd) of the SSA for these patients since they are not considered part of the demonstration.

#### Eligibility Criteria

The following requirements must be met for a hospice to be considered for participation in the demonstration. The hospice must:

- Provide care for Medicare beneficiaries who reside in rural areas. For purposes of the rural hospice demonstration, rural areas are counties outside the hospital labor market areas based on the definitions of Metropolitan Statistical Areas (MSAs), Primary MSAs (PMSAs), and New England County Metropolitan Areas (NECMAs) issued by the Office of Management and Budget (OMB). The rural areas are those that received a State rural rate for the FY 2005 hospice wage index annual update (September 30, 2004);
- Have its inpatient facility of up to 20 beds located in a rural area as defined above;
- Agree that the inpatient facility of up to 20 beds never exceeds 20 beds for the duration of the demonstration.
- Be licensed for general inpatient care. A copy of the license should be included with the proposal package;
- Provide services in rural areas as defined above;
- Provide hospice care for those who lack an appropriate caregiver;
- Include only those beneficiaries that lack an appropriate caregiver in the demonstration.
- Agree that those beneficiaries that have an appropriate caregiver are not considered part of the demonstration.
- Agree that respite care level of care is inapplicable to this demonstration because it is for relief of the caregiver. As the demonstration requires that every demonstration hospice individual lacks an appropriate caregiver, there is no caregiver to relieve and respite care is not triggered.

- Provide proper documentation of each entry in the medical record to justify the level of care for routine home care, continuous home care, general inpatient care, and respite care (only for individuals that have an appropriate caregiver).
- Provide the full range of services provided by hospice programs under section 1861(dd) of the Social Security Act (42 U.S.C. 1395x(dd)), unless waived by section 409 of the MMA for Medicare beneficiaries who reside in rural areas and lack an appropriate caregiver. If inpatient services are provided under arrangements, the hospice must ensure that the services are provided in full compliance with all applicable standards relating to professional management requirements and inpatient care. See 42 CFR 418.56, 418.98, and 418.100 and section 1861(dd)(2)(A)(ii)(II)(1);
- Agree to comply with all Federal, State, and local laws including the Medicare conditions of participation at 42 CFR 418, unless waived by section 409 of the MMA;
- Agree to comply with additional quality standards for its provision of services;
- Agree to comply with regular, periodic reviews to ensure that the documentation in the medical records supports the levels of care of routine home care, continuous home care, inpatient respite care (only for individuals that have an appropriate caregiver), and general inpatient care. These reviews will also check on the documentation of caregiver status and percent of patients who lack an appropriate caregiver to provide reasonable assurances that over time, the preponderance of patients lack an appropriate caregiver; and
- Agree to comply with the evaluation requirements and site visits necessary for CMS to prepare its report to the Congress.

Per statute, the hospice does not have to meet the requirements that services be offered outside of the home or the 20-percent inpatient care cap as to the demonstration participants.

### **What a Proposal Should Include**

An application to participate in this demonstration should address all of the following:

#### **Hospice Description**

Hospice is defined in 42 CFR 418.3 to mean a public agency or private organization or sub-division of either of these that is primarily engaged in providing care to terminally ill individuals. Applicants should explain where their hospice is located and provide a map identifying its location and service area, highlighting rural areas within its service area. Applicants should also explain how and where they will guarantee the delivery of hospice care to individuals residing in rural areas, and how they will provide the full range of hospice services under section 1861(dd) of the SSA and related CFR sections, unless waived by section 409 of the MMA.

If the hospice provides inpatient care at more than one location, the applicant should explain how administrative functions, such as billing, will be handled to distinguish

between the services provided at the inpatient facility participating in the demonstration and any other inpatient facility(ies) associated with the hospice (either directly or under arrangement) that is not part of the demonstration.

The applicant should provide information regarding how its organization is recognized under State law. If the applicant does business as (d.b.a.) a name or names different from the name shown on its Articles of Incorporation, provide such name(s) and include a copy of State approval for the d.b.a.(s). Applicants should provide evidence that the organization is financially viable as supported by audited financial statements that include balance sheets, income statements, and statements of cash flow. In the case of hospices that are new entities, if audited financial statements do not exist, applicants should provide pro forma financial statements and business plans accompanied by the opinion of a certified public accountant.

If the applicant is not currently a Medicare-certified hospice, the applicant should provide sufficient information to enable a panel of reviewers to assess if the applicant will likely meet requirements listed in this section.

#### Lack of an Appropriate Caregiver

The demonstration will allow Medicare beneficiaries who lack an appropriate caregiver in their home to receive all levels of hospice services within the walls of a facility. This is an important change from most hospice care, which is usually provided in an individual's home or place of residence, with a family member or other person serving as the primary caregiver. CMS recognizes that hospices serving Medicare beneficiaries who lack an appropriate caregiver in rural areas may need to continue serving patients with appropriate caregivers. For this reason, applicants may continue serving both hospice individuals who have and lack an appropriate caregiver. However, only those hospice individuals who reside in rural areas and lack an appropriate caregiver are considered participants in the demonstration. CMS expects the hospices in the demonstration to provide the preponderance of care to hospice individuals who reside in rural areas and lack an appropriate caregiver. The waiver of the 20-percent inpatient cap applies only to the portion of the hospice patients who reside in rural areas and lack an appropriate caregiver. In fact, the Medicare Hospice Program requirements of 1861(dd) of the SSA remain in full force and effect for the portion of the hospice that cares for patients who do not meet the qualifications for the demonstration.

The applicant should describe the hospice population it intends to serve, where this population currently resides, and how and why this population differs, if any, from its current hospice population. The applicant should project for each year of the demonstration, the percent of hospice individuals it expects will lack an appropriate caregiver. If the applicant plans to provide hospice care to an under-served population, then the applicant should explain in detail how it will provide outreach to this population. The applicant should provide any experience on why the proposed approach would meet the goals the applicant seeks to achieve, including increasing hospice use by under-served populations.

The applicant should discuss whether all hospice individuals cared for over the course of the demonstration lack an appropriate caregiver, how it will determine and document that individuals lack an appropriate caregiver, and why care cannot be provided in their homes or places of residence. As part of this discussion, the applicant should explain how it determines and documents whether a hospice individual lacks an appropriate caregiver. The discussion should include the factors considered in, the procedures followed in, the role and regular duties of the responsible person for making the determination that a hospice individual lacks an appropriate caregiver.

The applicant should also explain the procedures it will use to review and update its files to monitor any changes to the caregiver status of its patients. This discussion should include triggers that would cause review of a caregiver status and how the files are documented so that at any time a reasonable person could distinguish between hospice individuals who lack a caregiver from those who have a caregiver.

The applicant should discuss whether a change in caregiver status during the demonstration could change where routine home care and continuous home care are provided. Specifically, the applicant should address whether a hospice individual who lacks an appropriate caregiver when he or she elects the applicant's hospice is able to return to the individual's home to receive routine home care and continuous home care if an appropriate caregiver becomes available during the demonstration. If not, the applicant should explain why.

The applicant should explain how individuals who lack an appropriate caregiver are currently cared for in the community and what are the projected effects from this demonstration upon other providers and the communities. This explanation should include estimates of the likely caseload in the hospice as well as the effects upon hospitalization rates and lengths of stay. The estimate of caseload should support the facility size proposed.

#### Waiver of the 20-Percent Rule

Under the Medicare Hospice Program at 1861 (dd) of SSA, the 20-percent inpatient care limit applies to the two levels of inpatient hospice care, namely respite and general inpatient levels of care. Respite care is for the relief of the caregiver, such as a family member, friend, or someone paid by the hospice individual. It allows the hospice individual to receive the routine level of care for up to 5 days in an inpatient setting in order to provide some relief to the caregiver, 1861(dd)(1)(G) of SSA. Because individuals participating in this demonstration lack appropriate caregivers, it follows that respite care would not be needed for such individuals. As a result, the waiver of the 20-percent inpatient care limit would apply only to the general inpatient level of care. In addition, the medical record must support the general inpatient level of care in order to justify billing for such level of care. As part of the demonstration, regular, periodic reviews will occur to ensure that the documentation in the medical records supports the levels of care of routine, continuous home care, and general inpatient care. These reviews will also check on the documentation of caregiver status and percent of patients

who lack an appropriate caregiver to provide reasonable assurances that over time, the preponderance of patients lack an appropriate caregiver.

Some applicants may propose that they intend to provide hospice care to both individuals that have an appropriate caregiver and those that lack an appropriate caregiver. In that instance, the individuals that have an appropriate caregiver are not considered to be in the demonstration as the demonstration is testing specific aspects of the Medicare Hospice Program for individuals who lack an appropriate caregiver. The 20-percent inpatient cap for individuals who have an appropriate caregiver would continue to apply to both respite and general inpatient care, as occurs in the Medicare Program currently. Days of general inpatient care provided to hospice individuals who reside in rural areas and lack an appropriate caregiver would be excluded from calculation of the 20-percent inpatient day limit.

Regardless of whether the hospice individual has or lacks an appropriate caregiver, the hospices in the demonstration remain subject to the overall per capita per fiscal year hospice cap that is published in the hospice wage index annual update.

The 20-percent inpatient care limit in the Medicare Hospice Program recognizes that one of the stated purposes for the creation of the Medicare Hospice Program was the opportunity to die in one's own home with family and friends present and available to help care for the terminally ill patient, with the hospice providing medical and palliative services. When hospice was added to Medicare law in 1983, the Congress recognized the value and importance of this service, and contemplated it as a service provided in the home. Payments to a hospice for inpatient care are subject to a limitation on the number of days of inpatient care furnished to Medicare patients. During a 12-month period, the aggregate number of inpatient care days (both general inpatient and inpatient respite care) may not exceed 20-percent of the aggregate total number of days of hospice care provided to all Medicare beneficiaries. The demonstration provides a waiver of the 20-percent inpatient care limit for rural beneficiaries who lack an appropriate caregiver. The applicant should describe in detail why it needs this waiver in order to provide hospice care under this demonstration. The level of hospice care provided per day is determined solely by the patient's medical need as documented in the medical record. The place where such care is provided impacts only the hospice wage index to determine the exact reimbursement for each level of care. It is reasonable to expect similar patterns of hospice care for a given population regardless of where the patient receives that level of care. It is similarly reasonable not to expect hospice providers to use the general inpatient level of care more even when waived from the 20-percent inpatient cap for rural beneficiaries who lack an appropriate caregiver. Moreover, it is arguable that hospice patients receiving all levels of care in a facility are more likely to remain stable in their condition because trained hospice staff and the necessary equipment are readily available and providing such care without the loss of precious time to transport patients for general inpatient level of care. Therefore, we are generally presuming these patients in the demonstration would utilize the general inpatient level of care less than patients outside of the demonstration.

The applicant should also describe how it plans to implement its care based on this waiver of the 20-percent inpatient care cap for rural beneficiaries who lack an appropriate caregiver. Specifically applicants should address intake criteria and how it will ensure that at any given time, the facility of up to 20-beds is used predominantly by individuals who lack an appropriate caregiver. Applicants should justify the size and likely length of stay of its hospice population. Applicants should project the patient days in excess of the 20-percent general inpatient care cap per year for up to five years of the demonstration. As part of its discussion, the applicant should address the impact that the waiver of the 20-percent cap may reasonably have on the Medicare hospice benefit and on the area it serves. The applicant should explain how it estimates this impact and its effect on other service providers, such as hospitals.

#### Facility of 20 or Fewer Beds

The hospice care in this demonstration is to be provided in a facility of 20 or fewer beds. The applicant should describe the facility that will be used for the hospice care. As part of the discussion, the applicant should provide a clear description of the physical characteristics of the facility. The description should specify the number of patient rooms, number of bathrooms, cooking areas, laundry areas, and other aspects of the facility's interior required for hospice care. If the facility is approved by the State and certified by Medicare to provide hospice services, information that already exists from previous inspections and reports may be included along with any relevant updated information.

If the facility has not been certified, the applicant should include the information requested above and describe the process that will be used by the State and Medicare to certify the facility. Present a detailed schedule that includes the times at which important decisions will occur in the approval process. The schedule should reflect final State and Medicare approval before the estimated start date for the demonstration.

#### Levels of Care

In this demonstration, routine home care, continuous home care, inpatient respite care (only for individuals that have an appropriate caregiver), and general inpatient care can be provided in a facility of 20 or fewer beds. The applicant should describe how it will provide the different levels of care in the facility by including a projection of the number of days (or proportion of total days) to be billed at each level of care broken down by patients that have and those that lack an appropriate caregiver. The applicant should give reasonable assurances that it can provide the preponderance of care in the facility to individuals who lack a caregiver since these are the individuals in the demonstration. The applicant should describe how this allocation varies from what normally would be expected if it were not for the waiver of the inpatient day limit.

Routine home care and continuous home care are traditionally provided in an individual's home. In this demonstration, all levels of care, including routine home care and continuous home care, can be provided within the facility. Reimbursement for these

services remains the same as it would be if these services were provided in the individual's home. This means that, regardless of where care is provided, whether it is routine home care, continuous home care, inpatient respite care (only for individuals that have an appropriate caregiver), or general inpatient care, the medical record must support each level of care in order to justify billing for the specific level of care. Payment for each level of care will be the same as the rates stated in the current year's hospice wage index annual update for each year of the demonstration. As part of the demonstration, regular, periodic reviews will occur to ensure that the documentation in the medical records supports the levels of care of routine home care, continuous home care, inpatient respite care (for individuals with an appropriate caregiver), and general inpatient care. These reviews will also check on the documentation of caregiver status and percent of patients who lack an appropriate caregiver to provide reasonable assurances that over time, the preponderance of patients lack an appropriate caregiver. The demonstration, like the Medicare hospice benefit for these levels of care, will not provide reimbursement for room and board.

If the applicant intends to provide any hospice services outside the facility, this should be explained. Each demonstration hospice can offer the full range of hospice services within its walls to individuals who lack an appropriate caregiver, and any exceptions should be described.

### Quality Standards

The authorizing legislation allows CMS to implement additional quality assurance standards for the hospices in this demonstration. CMS expects that the existing quality assurance standards will be applied to all hospice individuals serviced by the demonstration hospice provider, even those who have an appropriate caregiver and are not considered to be in the demonstration. The rationale for this is to maximize the number of hospice individuals benefiting from the most current quality assurance program. While CMS will determine the quality assurance program for this demonstration, the applicant should propose to CMS the type of quality assurance program that would be appropriate for this type of demonstration and how quality of care for hospice individuals will improve for the demonstration population of Medicare beneficiaries who lack an appropriate caregiver. The applicant should include an approach to improving and ensuring quality of care for Medicare hospice individuals. Beneficial quality of care strategies are patient-centered and focus on outcomes of the hospice experience and the goals of this hospice demonstration. Factors that can be measured and monitored are desired. The quality improvement program should be based on the five domains of pain management, unwanted hospitalization, unwanted resuscitation, patient satisfaction with care and support, and effective bereavement services. It should include features such as written quality improvement policies and procedures, a written patient education program, a standing quality improvement committee, patient grievance and appeal systems, and provider credentialing systems.

The proposal should include specific information about what quality of care measures the applicant proposes to collect and report based on the five domains described above; how

it will establish baseline data for benchmark purposes; how it will gather and compare its data; what procedures will be in place to audit data; who will manage this quality program and be responsible for the day-to-day data gathering; and how often it will analyze, report, and implement changes based on the findings. In developing a quality program, applicants may choose to:

- Review current research on the topic of quality and outcome measures, such as, End of Life Care and Outcomes, AHRQ Publication No. 05-E004-2, available at: [www.ahrq.gov/clinic/tp/eoltp.htm](http://www.ahrq.gov/clinic/tp/eoltp.htm)
- Use the quality tools available such as the National Hospice and Palliative Care Organization and Brown University (TIME: Toolkit of Instruments to Measure End of Life Care);
- Use another set of available quality tools; or
- Use a combination of the approaches described above.

### Cost Estimate

The applicant should estimate the cost of the demonstration to the Medicare Program. The applicant should provide justification including estimates based on the projected utilization of hospice benefits under the demonstration.

The information should be used to prepare a demonstration cost estimate. This is a comparison of costs, with and without waivers, during the demonstration period. The applicant should project utilization of hospice services during the demonstration period, by each level of service, for the expected number of beneficiaries to be served. The total cost of services then should be estimated. In a similar manner and for the same population of beneficiaries to be served, the applicant should estimate what Medicare costs these beneficiaries would incur if they were not in the demonstration. The applicant should consider all alternatives including but not limited to other hospice, inpatient hospital and nursing home care.

### C. Evaluation and Reporting Requirements

We plan to award a separate contract to evaluate the rural hospice demonstration. Awardees for the demonstration must agree to cooperate with our evaluation contractor, including participation in periodic site visits and providing all information necessary for the contractor to conduct the evaluation. The specific requirements for sites related to the evaluation of the demonstration will be finalized once an evaluation contract has been awarded.

## **II. Requirements for Submissions**

### A. Purpose

We are soliciting applications to participate in demonstration projects that increase the

opportunity for rural Medicare beneficiaries who elect the hospice benefit and lack an appropriate caregiver to receive hospice care in a demonstration facility of 20 or fewer beds which does not need to provide services outside of the home or meet the 20-percent inpatient requirement. The demonstration will test the effectiveness of such hospice care in terms of access, cost, and quality of care.

## B. Submission of Applications

Information and guidance are provided at the following Internet address:

<http://www.cms.hhs.gov/researchers/demos/rmbh/default.asp>

Queries for the narrative portion of the application should be submitted in writing by mail, fax, or e-mail to: Cindy Massuda, 7500 Security Boulevard, C4-17-27, Baltimore, MD 21244-1850. FAX: 410 786-1048, E-mail: [cmassuda@cms.hhs.gov](mailto:cmassuda@cms.hhs.gov), or [RURALHOSPICEDEMO@cms.hhs.gov](mailto:RURALHOSPICEDEMO@cms.hhs.gov).

Applications should be sent to: Cindy Massuda, Project Officer, Medicare Demonstration Program Group, Centers for Medicare & Medicaid Services, C4-17-27, 7500 Security Boulevard, Baltimore, MD 21244-1850.

## C. Evaluation Process and Criteria

We will convene technical review panels to review all of the proposals. Panelists will receive a copy of the proposals along with a technical summary. Panelists will be asked to numerically rate and rank the proposals and provide a written and oral assessment of the proposals using the following criteria.

### **1. Purpose of Project/Statement of Problem (20 points)**

- The applicant should describe the particular problems arising from lack of appropriate caregivers in their setting, making clear the features and situations that are found that justifies the applicant's need for the demonstration.
- A demographic profile of the rural service area, including estimated numbers of hospice individuals by age, sex, race and ethnicity, terminal diagnosis, treatment status, and poverty status, along with any relevant socioeconomic, access, or transportation issues, should be included.
- The applicant should define the purpose of the rural hospice demonstration project, that is, the specific goals and objectives to be achieved, and how taking part in the demonstration will lead to accomplishment of these goals.
- The applicant should include an explanation of its ability to manage hospice care, improve access, and contain costs incurred by rural hospice participants.

### **2. Technical Approach (40 points)**

#### (a) Organizational Structure

- An applicant should fully describe how it complies with any applicable licensure, approval or organizational requirements under state(s) and/or local law(s) as a hospice.
- If the applicant provides inpatient care at more than one location, it should fully describe how administrative functions, such as billing, will be handled to distinguish between the services provided at the inpatient facility participating in the demonstration and any other inpatient facility associated with the hospice (either directly or under arrangement) that is not in the demonstration.
- If the hospice is a part of a larger organization or agency, it should fully describe the relationship.
- An applicant should provide performance data (reports of inspections, quality improvements, corrective action plans, etc.) that currently exist. If the hospice facility is currently certified as a Medicare hospice, provide results from the most recent inspection of its facility. If applicable, provide information on accreditation by a national accrediting organization.
- An applicant should provide recent information reporting on the financial status of the hospice facility.

**Note:** If the applicant is not yet licensed by the State, or certified by Medicare, it should provide as much information as possible requested in this section so that a review panel can assign points to these criteria.

(b) Service Delivery

- The applicant should describe how it will coordinate all levels of hospice care within its facility, including bed use and staffing and explain the nature of any affiliations with providers, persons, and organizations that will provide hospice care under this demonstration. Applicants will be evaluated on their infrastructure to carry out the selected delivery model.
- Since the hospice is expected to offer the full range of hospice services within its walls, the applicant should describe the manner in which the 20 or fewer beds are allocated to the different levels of hospice care. The applicant should explain if the beds/rooms vary by level of care. If a given bed can be used for all levels of care, then the applicant should explain the process it uses to decide what levels are appropriate at any given time and how it ensures it can provide all levels of care.
- The applicant should explain the total staff broken down by composition of its hospice staff and how it will function on a 24-hour basis and by the levels of care.
- The applicant should fully describe its intake procedures and the source of referrals to the facility. Applicants will be evaluated on how they propose to reach out to minorities or other disadvantaged individuals.
- Applicants should identify the area's inpatient facilities, nursing homes, and other health care providers that may be a referral source for hospice patients.

and describe how the applicant's targeted hospice population will receive information about the demonstration project.

- Information on projected patient load should be provided as well as estimates of the proportion of days of care for each of the four levels of hospice care.
- If the applicant intends to provide any hospice services outside the facility, this should be explained in detail.
- The applicant should explain how the effects of hospice care in this demonstration on other service providers, such as hospitals, will be estimated.
- The applicant should justify the size and likely length of stay of its hospice population.
- For applicants that may provide care to hospice individuals who do not meet the qualifications for the demonstration, then such applicants should explain how they plan to deliver services in compliance with the Medicare Hospice Program requirements, 1861(dd) of SSA.

### Quality Assessment and Improvement

- The applicant should fully describe its current method of assessing quality of care for hospice patients as described in 42 CFR 418.66. Patient satisfaction and quality outcome results should be included with the application.
- The applicant should describe its existing standing quality improvement committee, patient education program, patient grievance and appeal system, and provider credentialing and continuing education system.
- CMS is interested in improved quality of care reporting by hospices. Thus, the applicant should describe what procedures it is willing to implement to improve patient-centered, outcome-oriented quality measurement and monitoring in the demonstration, as well as what quality and patient satisfaction information it is willing to provide in the evaluation.
- Applicants should have or should propose a specific approach to ongoing quality improvement and monitoring, including a plan to measure the five domains of pain management, unwanted hospitalization, unwanted resuscitation, patient satisfaction with care and support, and effective bereavement services.
- Applicants may propose to use all of their patients in quality monitoring, including those not eligible for Medicare.

### **3. Financial and Organizational Capability (25 points)**

- The applicant should provide a cost estimate for the demonstration by comparing Medicare payments under the demonstration to Medicare payments without the demonstration as described in the "Cost Estimate" section above. This should be done on an annual basis for each year for up to 5 years of the demonstration. Any increased payments related to the waiver of the 20-percent inpatient limit must be included.
- Applicants should substantiate their calculations by referring to hospice care literature as well as the organization's actual experience.

- The applicant should describe key personnel who will be primarily responsible for the operation of the demonstration by including their clinical knowledge and experience related to hospice care as well as their hospice management expertise.
- The applicant should describe resources available within the hospice for such functions as data collection and reporting, financial systems, computer systems, and others required to report information to CMS and its evaluators throughout the demonstration. If outside contracting will be utilized, this should be described.

**Ability to Implement** (15 points).

- The applicant should describe its ability to effectively develop and implement this demonstration project (including evidence of approval by governing boards, state licensing entities, and Medicare certification processes), commitment of funds to planning and development, and formation of multi-disciplinary and cross-component task forces.
- The applicant should describe any prior experience conducting projects similar to the demonstration.
- The applicant should provide a workplan containing key operational and implementation tasks that must be accomplished before the demonstration begins. The time to complete these activities should be given. If there will be significant delays caused by external events, these should be listed and explained. The applicant should demonstrate that it has sufficient management and clinical expertise to complete tasks to assure demonstration start-up by the projected time.

**III. Final Selection**

The Administrator will select participants from among the most highly qualified candidates. Sites will be selected based on a variety of factors including organizational structure, operational feasibility, and geographic location. Awardees will be subject to our standard terms and conditions, and may be subject to special terms and conditions that are identified during the review process. We reserve the right to conduct site visits before beginning the demonstration. We expect to select up to three hospice organizations or agencies to participate in the demonstration.

**IV. Collection of Information Requirements**

Since CMS will receive less than 10 applications to this solicitation, the information collection requested reference in this solicitation are not subject to the PRA as stipulated under 5 CFR 1320.3(c).