

**Demonstration awarded to:**

- 1) Sanctuary Hospice House located in Tupelo, Mississippi
- 2) Hospice of North Central Florida headquartered in Gainesville, Florida.

**Background**

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 Congress on the project including recommendations regarding extensions to hospice programs serving rural areas.

The demonstration will be offered to up to three hospice programs and will not exceed a period of five 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 six months or less. Such 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.

(See downloads area below for more information: Fact Sheet, Legislation)

**How to submit an application to conduct a Rural Hospice demonstration: Application due on June 6, 2005.**

(See downloads area below for more information: Federal Register, Solicitation, and Contact Information).