

FACT SHEET
409 Demonstration—Rural Hospice Demonstration

- 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.
- While the legislative history indicates that the hospices in the demonstration should be Medicare approved, the language in Section 409 of the MMA allows us to take a different view – that is to bring a “facility” into the demonstration that is not an existing Medicare approved hospice.
- Any demonstration facility must meet all of the requirements of 1861(dd) of the Social Security Act, (SSA), except for the two requirements waived by the demonstration. These two exceptions are not requiring applicants in the demonstration to provide care in the community and waiver of the 20-percent inpatient cap for rural beneficiaries who lack an appropriate caregiver.
- 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 for these individuals.
- 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.
- 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 Metroplitan 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).