

Center for Medicaid and State Operations

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**DATE:** December 12, 2001

**FROM:** Director  
Survey and Certification Group

**SUBJECT:** Hospice Admissions to a Critical Access Hospital

**TO:** Associate Regional Administrator  
Division of Medicaid and State Operations  
Regions I - X

The purpose of this letter is to clarify the application of the 96-hour annual average length of stay limitation for critical access hospitals (CAHs). The issue is whether inpatient admissions to a CAH under the Medicare hospice benefit should be taken into account in determining whether the CAH has a facility-wide average annual length of inpatient stay that exceeds 96 hours.

The Medicare hospice benefit offers four levels of care, one of which is General Inpatient Care. The general inpatient level of care is used to provide relief of pain and acute or chronic symptom management crises that cannot be feasibly provided in the patient's own home. Inpatient care may also be indicated for medication adjustment, observation, or other stabilizing treatment, such as psycho-social monitoring, or when the family is unwilling or unable to permit needed care to be furnished in the home.

The hospice may provide this care itself or contract with either a participating hospital, CAH, or skilled nursing facility. These facilities must agree to provide 24-hour registered nursing services. The hospice maintains professional responsibility for its patient and works with the facility in the development of the patient's plan of care. The hospice is paid a set rate by Medicare and in turn, the hospice contracts with the hospital, SNF, or CAH under a contractual arrangement and pays the facility. The general inpatient level of care under the hospice benefit is not equivalent to an inpatient hospital level of care under the Medicare hospital benefit.

Some CAHs state that they are unwilling to enter into contracts to dedicate beds for hospice patients if they must count the stays of hospice patients in calculating their average annual facility-wide length of stay. As a consequence, hospice beneficiaries may be limited in their access to inpatient hospice care in rural and frontier areas.

When a Medicare hospice patient is admitted into a CAH bed for inpatient care, the intermediaries should disregard these admissions for purposes of application of the 96-hour annual average length of stay for a hospice patient stay. A hospice patient that is admitted for respite care likewise would not be counted in calculating the annual length of stay average. In both cases, the bed used by the hospice pt would be counted in the total bed count.

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When reviewing agreements between the CAH and a hospice for admissions, it should clearly state that the CAH recognizes the requirements for RN coverage on all shifts and will comply with that hospice requirement. This provision applies whether or not the CAH owns the hospice.

Please reference the hospice regulations at 42 CFR Sections:

- 418.56(b) Standard: Written Agreement
- 418.56(c) Standard: Professional Management Responsibility
- 418.56(e) Standard: Inpatient Care
- 418.98(a)(2) Standard: Inpatient Care for Symptom Control  
(includes the requirement for 24-hour nursing care)

For questions, please contact Marjorie Eddinger at telephone (410) 786-0375.

/s/

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