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Hospice Agency Launch Checklist

A comprehensive 50-item checklist covering every phase from business formation to operational launch

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Introduction: Hospice Licensing Overview

Hospice agencies provide end-of-life care to patients with a terminal prognosis of six months or less. Unlike non-medical home care agencies that provide personal care and companionship services, hospice agencies deliver a comprehensive program of medical, nursing, social, and spiritual services designed to provide comfort and dignity during the final stage of life. Because of the critical nature of these services, hospice agencies are heavily regulated under both state and federal law.

Every hospice agency must obtain state licensure and Medicare certification before providing services. Medicare certification requires compliance with the Medicare Conditions of Participation, which govern every aspect of hospice operations from the interdisciplinary group composition to the levels of care provided. Most hospice agencies also pursue accreditation from a nationally recognized accrediting body to obtain deemed status and demonstrate a commitment to quality. This comprehensive 50-item checklist covers every phase of the hospice agency launch process, from business formation through your first patient admission.

Phase 1: Business Formation

- ☐ Choose business entity type (LLC, S-Corp, C-Corp)
- ☐ File Articles of Organization/Incorporation with Secretary of State
- ☐ Obtain Employer Identification Number (EIN) from IRS
- ☐ Designate a registered agent
- ☐ Open a business bank account
- ☐ Obtain general liability insurance
- ☐ Obtain professional liability insurance
- ☐ Obtain workers compensation insurance
- ☐ Register with state Department of Revenue for tax purposes

- [ ] Consult with a healthcare attorney regarding compliance

Phase 2: State Licensure

- [ ] Research state-specific hospice licensing requirements
- [ ] Complete and submit state hospice license application
- [ ] Pay all required application fees
- [ ] Provide proof of insurance to state licensing board
- [ ] Submit organizational chart and staffing plan
- [ ] Submit administrator qualifications and credentials
- [ ] Provide office lease agreement or proof of office space
- [ ] Submit background checks for all owners and key personnel
- [ ] Develop and submit state-compliant policies and procedures
- [ ] Schedule and prepare for state licensure survey

Phase 3: Medicare Certification

- [ ] Submit CMS-855A application to Medicare
- [ ] Obtain National Provider Identifier (NPI)
- [ ] Complete the Medicare enrollment process
- [ ] Arrange for initial Medicare certification survey
- [ ] Ensure compliance with all Medicare Conditions of Participation
- [ ] Establish an interdisciplinary group (IDG) team
- [ ] Develop a Quality Assessment and Performance Improvement (QAPI) program
- [ ] Set up clinical documentation system for hospice eligibility
- [ ] Establish physician relationships for medical director role
- [ ] Set up billing system for Medicare claims submission

Phase 4: Accreditation

- [ ] Choose an accrediting body (ACHC, CHAP, or Joint Commission)
- [ ] Submit accreditation application and fee
- [ ] Conduct an internal mock survey using accreditation standards
- [ ] Assign a compliance officer or committee
- [ ] Address all findings from the mock survey
- [ ] Complete all required accreditation training modules

- [ ] Prepare all documentation binders for accreditation survey
- [ ] Schedule the accreditation survey
- [ ] Implement any required corrective actions post-survey
- [ ] Maintain ongoing compliance monitoring

Phase 5: Operational Launch

- [ ] Recruit and hire hospice medical director (physician)
- [ ] Recruit RN Director of Clinical Services
- [ ] Recruit hospice aides, social worker, and spiritual counselor
- [ ] Complete orientation and training for all staff
- [ ] Set up electronic medical records (EMR) system
- [ ] Establish relationships with hospitals, nursing homes, and physicians for referrals
- [ ] Develop and launch marketing materials (website, brochures)
- [ ] Set up after-hours on-call system
- [ ] Conduct a test run of admission process with mock patient
- [ ] Accept first patient and begin providing hospice services

Key Hospice Regulations to Know

Medicare Hospice Benefit

Medicare covers hospice care for patients with a terminal prognosis of six months or less if the disease follows its normal course. The hospice benefit covers virtually all services related to the terminal diagnosis, including nursing care, physician services, medical equipment, medications, aide services, social work, and spiritual counseling. Patients must elect the hospice benefit and can revoke it at any time.

Interdisciplinary Group (IDG) Requirement

Every hospice agency must establish and maintain an interdisciplinary group that includes, at a minimum, a physician, a registered nurse, a social worker, and a pastoral or spiritual counselor. The

IDG is responsible for developing, reviewing, and updating each patient's plan of care. The IDG must meet at regular intervals to review the condition and needs of each patient and to coordinate care across disciplines.

Levels of Care

Hospice agencies must be able to provide four levels of care as defined by Medicare:
Routine Home Care

(the most common level, provided in the patient's home),
Continuous Home Care

(intensive nursing care during a crisis period),
Inpatient Respite Care

(short-term inpatient care to give the caregiver a break), and
General Inpatient Care

(inpatient care for symptom management that cannot be managed at home). Each level has specific documentation and billing requirements.

Recertification Schedule

Hospice patients must be recertified as terminally ill at specific intervals to continue receiving the hospice benefit. The initial certification period is 90 days, followed by a second 90-day period, and then subsequent periods of 60 days each. At each recertification, a hospice physician or nurse practitioner must conduct a face-to-face encounter with the patient and document that the patient continues to meet the criteria for hospice eligibility.