

# Trends in Home Care

Forces of change transforming the  
industry



## Introduction

“Trends, like horses, are easier to ride in the  
direction they already are going,”

John Naisbitt  
Author, Futurists, Global Consultant

## Introduction

“I skate to where the puck is going to be, not to where it is,”

Wayne Gretsky  
Hockey grate

## Introduction

Forces of change impacting the home care industry

- Demographics
- Demand
- Public and political will
- Regulatory oversight
- Technology

## Introduction

“Housekeeping”

- Trend analysis credentials
- Business argument for trend monitoring
- Trend v fad

## Introduction

Fad or Trend

Top down

Innovation

Static

Disappear

Outside in

Bottom up

Invention

Ever changing

Evolve over time

Inside out

## Demographics

The aging population is a convergence of trends

- Shift from agriculture to industry to information
- Smaller families
- Women in the workforce
- Changing attitudes toward work and retirement

## Demographics

“For the first time in history, and probably for the rest of human history, people age 65 and over will outnumber children under age 5,”

*Why Population Aging Matters  
A global perspective*

National Institute on Aging  
National Institutes of Health  
US Department of Health and Human Services

## Demographics

### Factors to consider

- Life expectancy is increasing
- Number of oldest old is rising
- Chronic disease is a growing burden on the health care system
- Managing an aging population with too few resources

## Demographics

In 2006, almost 500 million people worldwide were 65 and older.

By 2030, that number is projected to be 1 billion  
– 1 in every 8 of the world's inhabitants

Some populations are shrinking

## Demographics

Between 2000 and 2005, the US population grew by 5%, the oldest old grew by 20%

Baby boomers – all 78.2 million of them – will begin turning 65 in 2011

8,000 people will reach that milestone each day thereafter for 20 years

## Demographics

➤ From 2007 to 2030

The population of 65+ will grow by 69%

Those 85+ will increase by 74%

➤ Between 2030 and 2050

85 + cohort will skyrocket another 118%

## Demand for home care

### Factors driving demand

- Smaller families
- Changing expectations for work and retirement
- Preference
- Need to treat multiple chronic illnesses

## Demand for home care

Chronic condition	1999-2001	2005-2007
Heart disease	36.9%	40.7%
Coronary heart disease	24.1%	28.5%
Heart attack	13.3%	15.3%
Cancer	21.5%	25.5%
Diabetes	9.7%	13.2%

## Demand for home care

Family members are ill-prepared

- 28.5 % -- 65.7 million Americans provide care for a family member
- 66% are women
- Five years older than their counterparts five years ago

## Demand for home care

Economics support home care

- 2006 health care expenses for elderly = \$333.3 billion -- \$100 billion more than a decade before
- 95% of elderly had some expenses
- Median cost for 65+ = \$4,032  
50% more than a decade ago

## Demand for home care

### Untallied cost of care

- 70% of caregivers alter or reduce work hours
- 20% take a leave of absence
- 9% give up working entirely
- 6% turn down a promotion
- 3% take early retirement

## Public and political support

### Placing greater value on home care

- Home care costs less than institutional care
- Patients and families prefer home care
- Home care reduces re-hospitalizations
- Political imperative to keep Medicare solvent is powerful motivating force

## Public and political support

Acknowledging the value of home care

- Lower cost of care
- Faster recovery, better outcomes
- Fewer re-hospitalizations
- Improved patient mental health
- Better patient co-operation

## Public and political support

Home and community based care programs

- Intentional communities
- Hospital at Home
- Medical Homes
- Naturally occurring retirement communities
- Housing cooperatives

## Public and political support

How states promote home and community based services

- Provide adequate funding
- Shift funds from nursing homes to HCBS
- Presumptive Medicaid eligibility
- Person-directed care
- Medicare/Medicaid Integration

## Public and political support

Senior support services

- Resource centers
- Adult well-being services
- Faith-based programs
- Other non-profits

## Regulatory oversight

Where federal or state dollars are spent there will be regulatory oversight

- 29 states require licensure, more are pending
- Integrated Medicare/Medicaid programs mean more rules
- Federal mandates for worker protection likely

## Regulatory oversight

Required to be licensed (state specific)

- Application and survey
- Compliance with regulations
- Periodic license renewal
- Data reporting

## Regulatory oversight

### Requirements for licensure

- Responsible leadership (administrator)
- Policies and procedures
- Client assessment and care plan
- Client bill of rights
- Liability insurance
- Employee background checks

## Regulatory oversight

To know what the future holds follow regulatory oversight of skilled nursing services

- Multiple agencies with regulatory authority
- Claims reviews
- Requests for additional documentation
- Focus on fraud & abuse

## Technology improves home care

Improving the quality of services provided

- Facilitate social connectedness
- Keep older people safe
- Promote health and wellness

## Technology improves home care

Increases productivity and profitability

- Point of care system
- Electronic medical records
- Scheduling software
- Data analysis

## The future of home care

The coming decade has the potential to be the best of times, or the worst of times

- Rapid growth
- More competition
- M&A activity will accelerate
- Regulatory requirements and oversight

## Final words

May you live in interesting times!