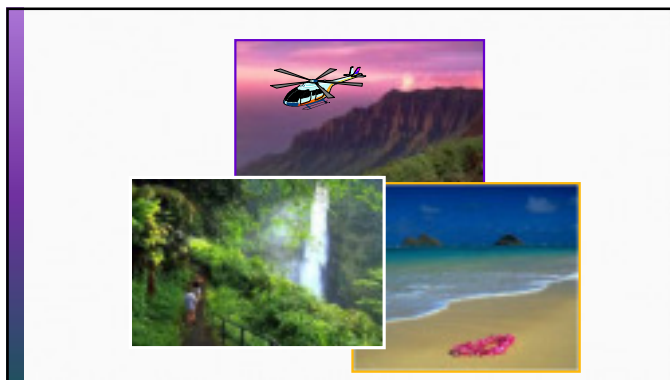


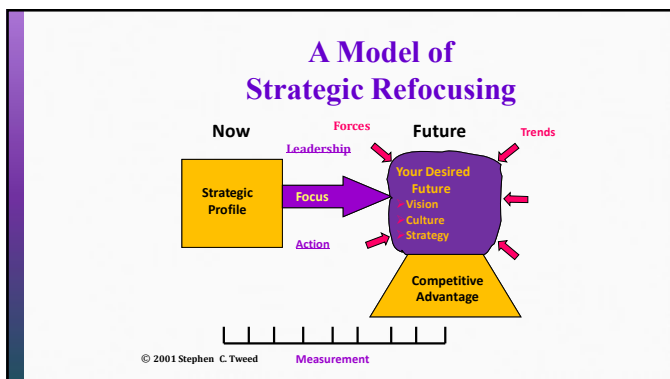
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Home Care Forces and Trends

Forces: Those outside pressures that cause change

Trends: Those patterns of change that are caused by the forces

4

Five Forces Affecting Your Future

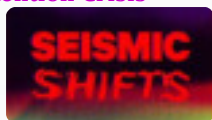


1. Economic Pressures
2. Demographic Changes
3. Consumer Choice
4. Technology
5. Political Change

5

Six Seismic Shifts Shaping 2020 and Beyond

1. The Crazy Covid Crisis
2. Medicare Advantage and In-Home Care
3. Private Equity and Industry Consolidation
4. Increasing Competition
5. The Caregiver Recruiting and Retention Crisis
6. Data Oriented Decision Making



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Home Care 2021: Six Seismic Shifts

1. The Crazy Covid Crisis

The Short-term and Long-term impact of Covid-19 on Home Care?



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Covid's Short-term Impact on Home Care Agencies

- » Inter-agency collaboration
- » PPE Procurement, Training, and Use
- » Business Uncertainty
- » Legal Liability Uncertainty
- » Reduced Revenue and Increased Cost of Care



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Covid's Long-term Impact on Home Care Agencies

- » Home Care's Role in the Health Care Continuum
- » Demand for Higher Skilled Complex Care
- » Telehealth, data collection, and technology
- » Caregiver Recruiting and Retention



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Home Care 2021: Six Seismic Shifts



**Opportunities
and Threats
for Home Care
Leaders**

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Opportunities for Agencies from Covid-19


- » Increased Knowledge and Ability
- » Public Image / Perception
- » Referral Source Awareness
- » Competitive Advantage
- » Systems and Procedures
- » Revenue Growth
- » Cost Reduction



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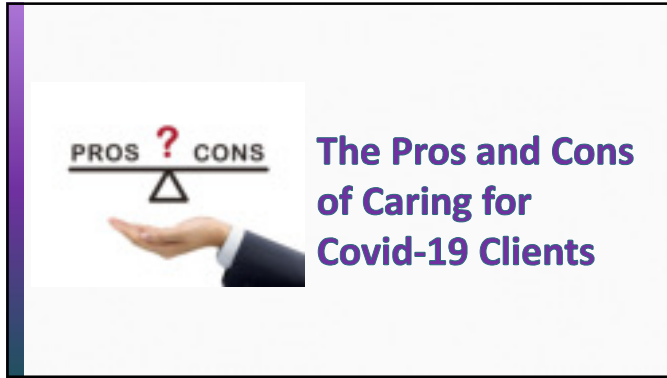
Threats to Agencies from Covid-19

- » “The Unknown Unknowns”
- » Legal Liability
- » Revenue vs. Profitability
- » Caregiver Retention



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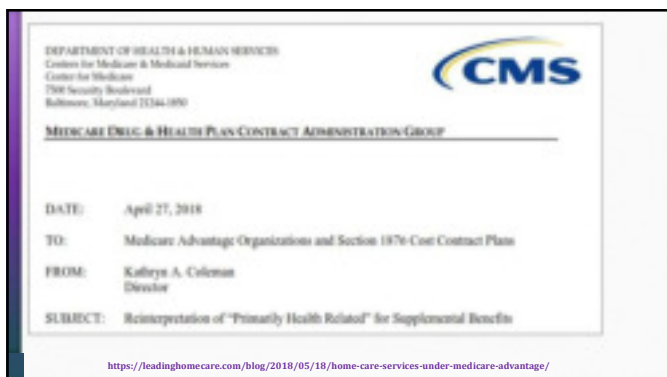
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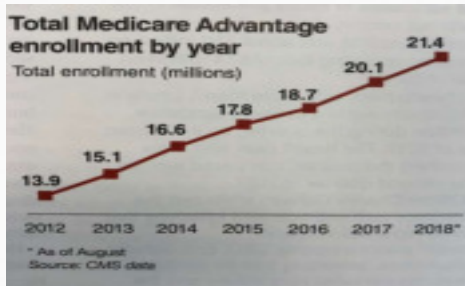
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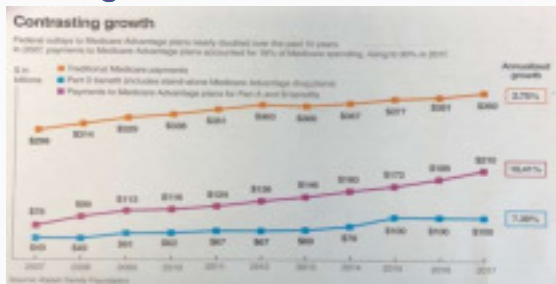
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Growth of Medicare Advantage Enrollees



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Growth of Medicare Advantage Revenue



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Medicare Advantage Plans

- » The number of MA plan choices will increase from about 3,100 in 2018 to 3,148 in 2020.
- » 32% of Medicare Beneficiaries were in a MA Plan in 2017
- » Top 7 Plans controls 75% of Market
- » Top 3 Plans – UnitedHealthCare, Humana, and Blue Cross Blue Shield – serve half of all MA members.
- » Source: CMS

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Nine Supplemental Services Offered

1. Adult Day Services
2. Home-based Palliative Care
3. In-Home Support Services
4. Support for Caregivers of Enrollees
5. Medically-approved, Non-opioid Pain Management
6. Stand-alone Memory Fitness Benefit
7. Home & Bathroom Safety Devices & Modification
8. Transportation
9. Over-the-counter Benefits

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"In-Home Support Services (PBP B13d, e, or f): In-home support services to assist individuals with disabilities and/or medical conditions in performing ADLs and IADLs within the home to compensate for physical impairments, ameliorate the functional/psychological impact of injuries or health conditions, or reduce avoidable emergency and healthcare utilization. Services must be provided by individuals licensed by the state to provide personal care services, or in a manner that is otherwise consistent with state requirements."

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The Rule Change came from The Chronic Care Act, part of the Bipartisan Budget Act of 2018.

Medicare Advantage covers more than 1/3 of 56 million people enrolled in Medicare.

21

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The impact
on Home
Care?



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Four Key
Questions:

23

**1. Will Medicare Advantage
MCOs implement this option?**

*** Not Required**

*** No more money**

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Decision to add
In-Home Support to a MA Plan
will be based on **“Sales
Potential”**,
not **“Cost Saving”**.

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**“Do beneficiaries in a local market
want this service?**

**Will they join an MA Plan to get
it?”**

26

**“The Trade Press has spun this into more than it
is.**

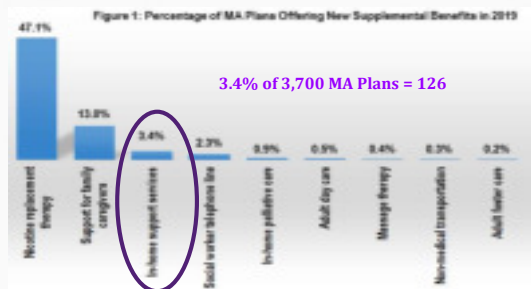
**In 2019, every player is dipping their toe,
cautiously, into the pool.”**

source: MA Plan Executive

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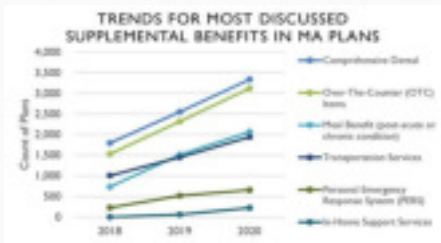
Supplemental Benefits in 2019



Source: AARP Analysis of Data from CMS

28

In-Home Care is least frequently offered Plan Benefit



Source: Faege Baker Daniels

29

364 plans will take advantage of CMS's more flexible MA policies in 2020, according to the Milliman study. That's almost **12%** of the **3,148** plans available.

30

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2. Will Medicare Advantage MCOs require this service to be provided by a Medicare Certified Home Health Agency?

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3. If MCOs allow Non-Medicare agencies to provide in-home support services, how will they select provider agencies?

32

4. How will MCO's authorize hours of care, and what rates will they pay?

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Stephen's Predictions:



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Questions?



Stephen@leadinghomecare.com

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3. Private Equity and Industry Consolidation



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Software Companies Consolidating

- » ClearCare started with outside Venture Capital
- » HomeTrak acquired by ClearCare, acquired by WellSky
- » ADL Ware acquired by Kinnser, acquired by WellSky
- » Soneto acquired by MatrixCare, acquired by ResMed
- » Appointmate acquired by Delta Health Technologies
- » Alaya Care announced that iNovia Capital, the Caisse de dépôt et placement du Québec and provincially owned Investissement Québec have invested \$51-million

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Consolidating Independent Agencies

- » Nova Leap, Halifax, Nova Scotia based company has acquired 8 independent agencies in MA, VT, NH, RI, and OK.
- » Briggs Corporation, has acquired at least ten independent home care companies in the Midwest.
- » Family Resource Home Care, Liberty Lake, WA has merged with an equal sized company in Seattle, and has acquired four smaller independent agencies across WA and ID.
- » Arosa+LivHome has acquired Geriatric Care Management companies in TN and IL with Bain Capital Double Impact

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Franchisors acquired by Private Equity Funds

- » Comfort Keepers was acquired by Sodexo in 2009.
- » Griswold Home Care acquired by Pouschine Cook Capital Management in 2012
- » Home Helpers was acquired by Linsalata Capital Partners in 2016
- » Right At Home and parent company Risemark Brands was acquired by Investors Management Company in 2016.
- » Senior Helpers acquired by Levine Leichtman Capital Partners in 2012 and sold to Altaris Capital in 2016.
- » Levine Leichtman Capital Partners acquired Caring Brands which owns Interim Healthcare in the US, Bluebird Care in The UK, and Just Better Care in Australia.

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Humana – Largest Provider of In-home Care

- » Acquired Senior Bridge – large private pay home care and care management company
- » Partnered with Private Equity Firm Welsh, Carson, Anderson & Stowe to acquire Kindred at Home – country's largest home health organization
- » Acquired Curo Health – country's largest hospice organization
- » Partnered with Private Equity Firm Welsh, Carson, Anderson & Stowe to acquire Partners in Primary Care

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4. Increasing Competition

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The Private Pay Home Care Industry – 26,000 companies

» Independents – 14,000

» Franchises – 6,939

> Sept. 2019

» Affiliated – 5,000



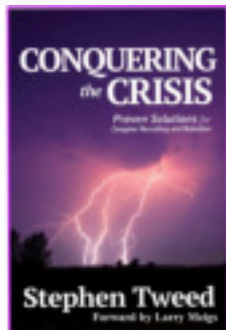
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Three Major Industry Trends

- » Most metro markets are saturated with home care companies
- » We are in the early stages of industry consolidation
- » Home Health Care and Senior Living companies were getting into private pay home care, and that trend has reversed

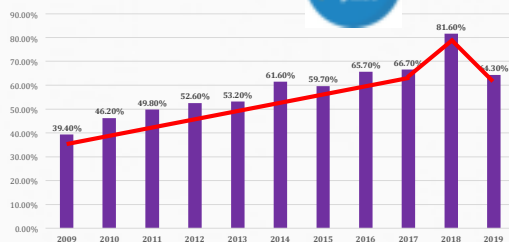
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5. The Caregiver Recruiting and Retention Crisis

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Caregiver Turnover



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- 1. Referral Programs**
- Employee Referrals**
- Client & Family Referrals**

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2. Digital Recruiting
Your Web Site
Indeed.Com
Local Job Sites
MyCNAJobs.com
Local Healthcare Site
Craigslist

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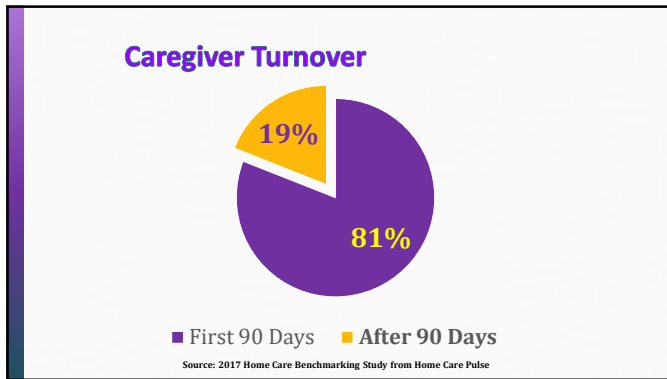
3. Face to Face Recruiting
Campus Recruiting
Faith Based Recruiting
Networking in the
Community
Public Speaking

50

“Money Matters More
in Recruiting
Than in Retention”
Stephen Tweed

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*** Research**
*** Online Learning**
*** Caregiver Quality**
Mastermind Groups

www.caregiverquality.com

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Four Elements of Caregiver Quality Assurance

- » The Caregiver Quality Company Culture
- » The Caregiver Quality Recruiting System
- » The Caregiver Quality Selection System
- » The Caregiver Quality On-boarding System
- » The Caregiver Quality Retention System

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6. Data Oriented Decision Making

**"What Gets Measured Gets Managed,
What gets Rewarded Gets Repeated."**

55

Challenges with Data Oriented Decision Making

- » Metrics Tracking
- » Software Reporting
- » Software Integration
 - > CRM
 - > ATS



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ClearCare integrates with HubSpot and Hireology



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Home Care 2021: Six Seismic Shifts

Seven Strategic Competencies

1. Visioneering Your Future
2. Crafting Your Company Culture
3. Creating Competitive Advantage in your local marketplace
4. Designing Systems for Business Growth
5. Designing Systems for Caregiver Recruiting, Selection, On-Boarding, and Retention
6. Developing the Knowledge, Skills, and Values of your Leadership Team
7. Measuring and managing Your Success



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