Home Care 2021: Six Seismic Shifts Shaping the Future of Home Care in a Post-Covid World

with Stephen Tweed
Home Care 2021: Six Seismic Shifts

Home Care Forces and Trends

**Forces:** Those outside pressures that cause change

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

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Five Forces Affecting Your Future

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

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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
Home Care 2021: Six Seismic Shifts

1. The Crazy Covid Crisis

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

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

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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Opportunities and Threats for Home Care Leaders

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

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

Threats to Agencies from Covid-19

- "The Unknown Unknowns"
- Legal Liability
- Revenue vs. Profitability
- Caregiver Retention
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
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

“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.”

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.
The impact on Home Care?

Four Key Questions:

1. Will Medicare Advantage MCOs implement this option?
   * Not Required
   * No more money
Decision to add In-Home Support to a MA Plan will be based on "Sales Potential", not "Cost Saving".

"Do beneficiaries in a local market want this service? Will they join an MA Plan to get it?"

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

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

4. How will MCO’s authorize hours of care, and what rates will they pay?
Stephen’s Predictions:

Questions?

Stephen@leadinghomecare.com

3. Private Equity and Industry Consolidation
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

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+LiivHome has acquired Geriatric Care Management companies in TN and IL with Bain Capital Double Impact

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.
- 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.
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

4. Increasing Competition

The Private Pay Home Care Industry – 26,000 companies

» Independents – 14,000
» Franchises – 6,939
  > Sept. 2019
» Affiliated – 5,000
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

5. The Caregiver Recruiting and Retention Crisis

Caregiver Turnover

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1. Referral Programs
   
   Employee Referrals
   
   Client & Family Referrals
2. Digital Recruiting
   Your Web Site
   Indeed.Com
   Local Job Sites
   MyCNAJobs.com
   Local Healthcare Site
   Craigslist

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

“Money Matters More
in Recruiting
Than in Retention”
Stephen Tweed
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- Caregiver Turnover
  - 19% - First 90 Days
  - 81% - After 90 Days

Source: 2017 Home Care Benchmarking Study from Home Care Pulse

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

www.caregiverquality.com

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
6. Data Oriented Decision Making

“What Gets Measured Gets Managed, What gets Rewarded Gets Repeated.”

Challenges with Data Oriented Decision Making
» Metrics Tracking
» Software Reporting
» Software Integration
  > CRM
  > ATS

ClearCare integrates with HubSpot and Hireology
## 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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Stephen Tweed, CSP  
CEO  
Leading Home Care ...  
a Tweed Jeffries company  
9750 Ormsby Station Road #205  
Louisville, KY 40223  
502-339-0653  
Stephen@leadinghomecare.com  
www.leadinghomecare.com  
www.homecareCEO.com  
www.caregiverquality.com

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Questions?  
Stephen@leadinghomecare.com  

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