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Demand for Home Care Is Expected to Boom. Finding It Might Not Be So Easy.

By Jessica Hall May 30, 2020 8:00 am ET



Demand for home health care has been rising in recent years as older Americans' preference for aging in place has grown. Covid-19's impact on nursing homes and other congregate-living facilities, where infections and fatalities have been rampant, is sure to accelerate the trend.

According to a 2018 AARP national survey, 76% of Americans 50 years and older want to remain in their current residence and 77% would like to stay in their community. Still, just 59% anticipate they will be able to stay in their community. And that was before the pandemic.

"Patients want to be at home. They want to stay out of the hospital and they're not going to a skilled-nursing facility unless absolutely necessary," says Dan Savitt, chief financial officer of Visiting Nurse Service of New York. "Covid bolstered the appreciation of home care."

But finding home care isn't always easy, in part because of a labor shortage. Nationally, there are 2.3 million home-care workers providing care to about 4.7 million seniors and adults with disabilities, according to the Family Caregiver Alliance. By 2026, the home-care industry will need to fill 4.2 million jobs nationally, according to PHI research that was conducted before the pandemic.

"It's not glamorous. You're helping people with some of the most intimate functions of their lives," said Betsy Sawyer-Manter, president and chief executive of SeniorsPlus, a Maine nonprofit group that helps seniors and disabled adults find care services throughout the state. "There's burnout. Overnight, weekend and holiday work."

What's more, it's not a lucrative field. Home health aides and personal care aides earned \$11.57 an hour in 2018, according to the Bureau of Labor Statistics.

Home-care providers said they have seen a see-saw in patient volumes during the coronavirus outbreak. Traditional patient needs dropped as elective surgeries were put on hold throughout the country. Companies, however, said they

saw an increase in Covid-19 cases as patients who might normally spend longer times in the hospital or be transferred to a nursing home or rehabilitation center chose to be home.

“Our volume has gone up. Critically ill patients who would normally go to the hospital or nursing facility are doing everything they can to stay home,” said Judy Herman, a medical technician in Emerson, N.J., with DispatchHealth, which provides urgent home care. “Family members are being counseled on palliative care and hospice care and deciding to keep the patient at home. They are deciding universally to avoid anywhere they could get even more sick.”

After a stroke five years ago, Carole McCarthy spent a stint in a rehabilitation center before returning home to rely on her husband and home health-care workers for help showering, dressing, and eating. She was so scarred by the loneliness of the rehab experience that she said she never wanted to go back to an institution.

Although she doesn’t have Covid-19 and now qualifies for nursing-home care, the disease has entrenched that view. Carole and her husband, Phil, want her to stay in their Winslow, Maine, home even as sufficient home care has been difficult to find.

The McCarthys, both 81, used an agency to find help but still failed to get enough workers to fill all the needed hours. Carole McCarthy currently receives 7½ hours of “personal support services” each weekday and three hours on Saturdays and Sundays. The rest of her care falls to her husband.

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“We just don’t ever want her in a nursing home, especially now,” Phil McCarthy said. “We’re getting by. Home-care coverage is difficult—they have inadequate staffing and we’re missing some time, but it’s better than the alternative.”

Before the McCarthys last July began receiving MaineCare, the state’s Medicaid program, they spent \$23 an hour on weekdays and \$25 an hour on weekends on care. That’s roughly average. The cost of home care services—such as bathing, dressing, hygiene, cooking, housekeeping and shopping—averages \$22.50 an hour nationally. Services that involve more sophisticated nursing care average \$23 an hour. That compares with \$275 a day, or \$8,365 a month, for a private room in a nursing home, according to the 2019 Genworth Cost of Care Survey.

In 2018, spending on nursing-home services and continuing-care retirement communities increased by 1.4% to \$168.5 billion. That compared to 5.2% growth in home care spending, which totaled \$102.2 billion, according to the CMS Office of the Actuary. Home-care spending is expected to hit \$186.8 billion by 2027.

“Medicare and insurers now have a much more acute understanding of home care. Covid accelerated the thinking,” Savitt says. “Payers and government policy makers previously struggled to understand home care. Now they get it—it’s safer, effective and what patients want.”