Get Ready for 4 'Aging in Place' Market Trends

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This is the golden age of older people. Between 2020-2060, the number of people age 65 and older is expected to skyrocket from 56 million to nearly 95 million, amounting to a whopping 69% increase.[1] Ask older Americans (ages 50-80) where they want to live as they age, and 88% say they prefer aging in place, living in their own homes for as long as practical.[2]

To support this challenge and opportunity, key stakeholders — including providers, agencies, insurers and others — must adopt emerging digital technologies. Virtual care is poised to offer proven solutions that fundamentally change the traditional post-acute care patient journey, increasing convenience and access and the potential to improve cost and outcomes.

Let's briefly examine the facts fueling four big "aging in place" market trends: Preparing for HHVBP quality measures in 2023, the growing home health segment, expanding patient acuity, and the significant home health labor shortage.

Value-Based Purchasing is Coming. Are You Prepared?

Kicking off Jan. 1, 2023, home health agencies' performance will be subject to the expanded Home Health Value-based Purchasing (HHVBP) Model. This approaching year is all about collecting the required quality measures for which, in turn, will impact year 2025, HHVBP's first payment year.[3]

The HHVBP Model is modeled after the CMS hospital readmission program in which funding is based on how well the organization ranks relative to its peers. Under the expanded initiative, agencies receive adjustments to their Medicare fee-for-service payments based on their performance against a set of three quality measures relative to their peers' performance: the Outcomes and Assessment Information Set (OASIS, ED and hospitalization claims and Systems (HHCAHPS) surveys.

The quality measures are used to calculate home health agencies' performance. In a payment year, reimbursement can increase or decrease up to 5%, depending on how organizations perform on a combination of operational, utilization (ED and hospitalizations), and patient experience. Most home health agencies are rated "in the middle" with 3 or 3½ stars being the average rating across the 7 measures.[4]

Increasing Demand for Home Health

Analysts estimate the size of the U.S. home health market at $120 billion in 2022. The home health segment is growing faster than the economy overall, notes IBISWorld.[5]

Through 2030, the market is expected to expand by a compound annual growth rate of 7.9%. Talk about an increase in aging in place.

Not too many years ago, home health was seen as the care setting after a post-acute care facility such as a rehabilitation center or a nursing home. With value-based care and bundled care options, however, more acute-care discharges are directly home — with the personnel and ancillary services that home health can provide.

Rising Patient Acuity

Even before the pandemic, the Centers for Medicare & Medicaid Services (CMS) was actively working to divert patients from nursing homes and acute care facilities to the home. As a result, home health agencies have seen a shift in payer mix, away from private insurance and more toward Medicare and Medicaid, which reimburse at significantly lower rates than private insurance pays.

Traditionally, Medicare home health users are older, sicker, frailer, and poorer than Medicare beneficiaries overall, according to the Alliance for Home Health Quality and Innovation.

Medicaid patients and dual-eligible patients often have complex medical and social determinants of health needs. In fiscal year 2020, Medicaid spent $116 billion on Home and Community-Based Services (HBCS), serving 3 million Medicaid recipients through waiver programs and 2.5 million as part of the state plan benefit package. The latter group primarily received home health and personal care services.[6]

While expanding the universe of potential home health recipients, HBCS waivers can create staffing and care challenges for agencies.

Worsening Staffing Shortages

A 2022 survey of home health operators found that 80% said staffing was their biggest non-COVID-related challenge. Nearly 6 in 10 said recruiting was their main concern for the foreseeable future, while 32% said staff retention was a concern.[7] It's no wonder, then, that the home health industry's rejection rate in January was 58%, significantly higher than the 42% rejection rate routinely seen prior to the pandemic.[8]

According to the Bureau of Labor Statistics (BLS), home health agencies will need to find nearly 1 million additional home health and personal care aides by 2031 — in addition to replacing those who leave. Job growth of 25% is seen over the decade, which the BLS categorizes as "much faster than average."[9]

We Have a unique Opportunity

Expectations are high for home healthcare stakeholders. These primary "aging in place" trends reveal a growing appetite for solutions that enable older adults to age in place. We have a unique

window of opportunity for digital-driven transformation to close inequity gaps and actually provide better and more affordable care delivery services.

This shift in the post-acute patient journey has been coming for a long time. In my next blog we will explore specifically how digital technologies can bring accessible and scalable care support digital solutions into the homecare setting.

About the Author

Krishna Kurapati is the founder and CEO of QliqSOFT. He has more than two decades of technology entrepreneurship experience. Kurapati started QliqSOFT with the strong desire to solve clinical collaboration and workflow challenges using artificial intelligence (AI)-powered digital technologies across the U.S. healthcare system. He is actively involved in early-stage financing of startups in both the U.S. and India.

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Home Health Is Ripe for Digital Empowerment

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Higher labor, benefit and administrative costs in the wake of the pandemic are continuing, squeezing already thin operating margins. A labor cost survey[1] of the Partnership for Quality Home Health members conducted in August 2021 concluded that wages and home health industry expenses have increased dramatically since 2019, a trend that continues to worsen as inflation hits its highest point in decades.[2]

Though the pandemic greatly expanded telehealth reimbursement including hospital-at-home programs that employ remote monitoring, the Biden administration has finalized a 0.7% increase for home health in 2023, which includes a 3.925% permanent adjustment related to Patient-Driven Groupings Model.[3] Likewise, starting Jan. 1, 2023, home health agencies' performance will be subject to the expanded Home Health Value-based Purchasing (HHVBP) Model, and payment adjustments will begin in 2025 based on 2023 performance.[4]

Home healthcare agency administrators must address these issues to bend the administrative and labor cost curves and preserve margins. Artificial intelligence-enabled solutions can mitigate these challenges and meet the demand for aging in place. Consider the proven benefits of digital tools rapidly adopted by medical practices, hospitals and health systems:

- Reduced manual and routine administrative efforts burdening care teams and managers
- Increased staff retention by improving the employee-provider experience
- Proactive engagement of patients and caregivers to increase CAHPS performance
- Management of more patients using the same workers and without hiring additional staff
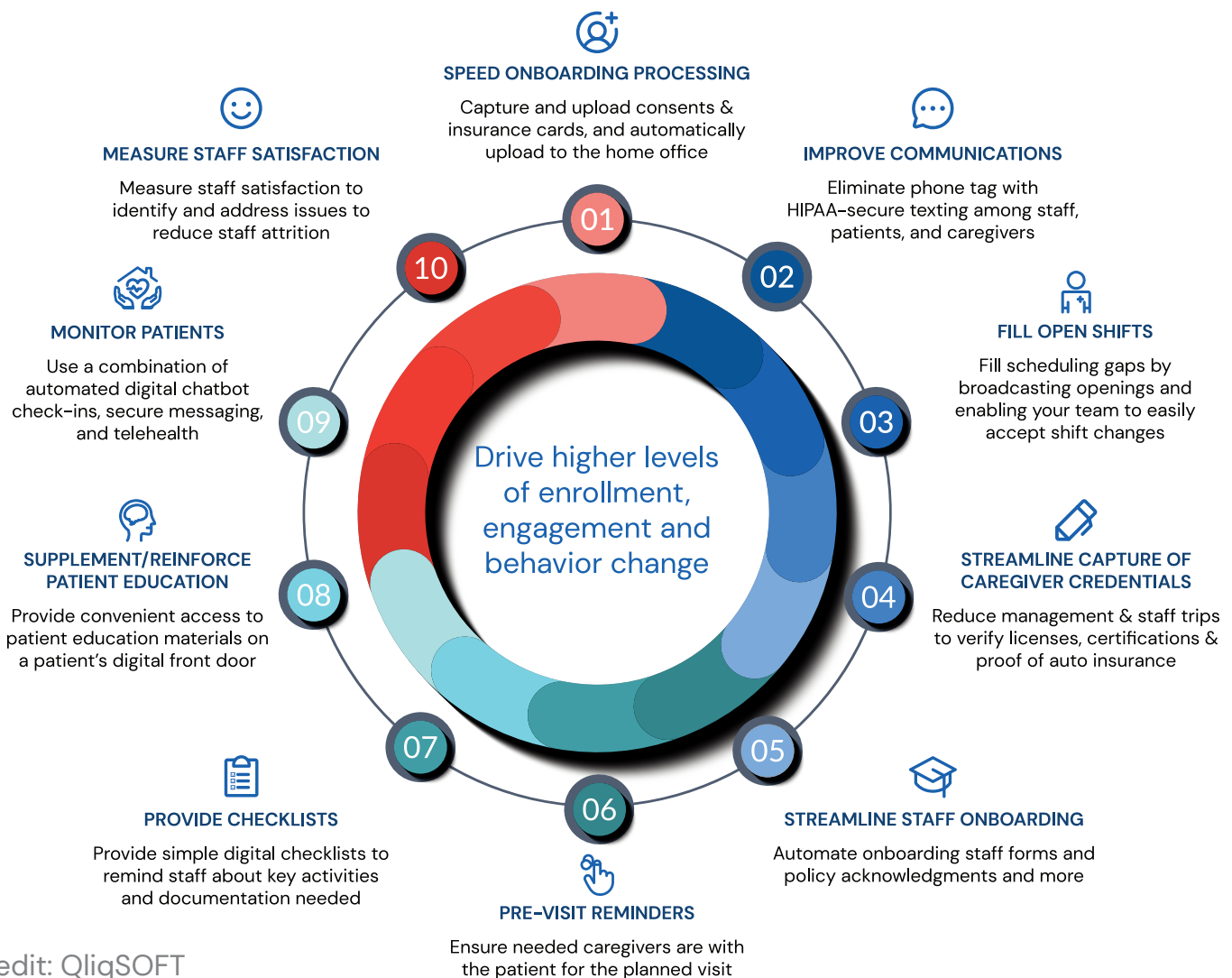
Digital Options to Automate Home Health Administration

Empower your older patients and healthcare workers with digital-first strategies. Not only do chatbots, secure texting and virtual visits automate routine operational tasks, these digital tools yield big benefits that re-energize your leadership and staff to spend more time with patients.

Here's a look at new and innovative home care use cases for AI:

1. Improve communication and care coordination by replacing phone tag with HIPAA-secure texting among staff, patients and caregivers.
2. Automate the filling of scheduling gaps by broadcasting openings and enabling your team to easily accept shift changes.
3. Automate verifications to help reduce management and staff effort associated with verifying licenses, certifications, proof of auto insurance, and more.

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4. HHVBP offers opportunity: https://innovation.cms.gov/innovation-models/expanded-home-health-value-based-purchasing-model

5. Streamline employee onboarding by automating transport of onboarding and assessment forms, education and consents.

6. Speed patient onboarding to help enable staff to document consents, insurance, emergency contacts, referrals and other requirements, while concurrently uploading the documentation to the home office. During COVID-19, Walla Walla Community Hospice in Washington implemented digital intake in less than 14 days and reduced new patient in-home intake time by 30%.

7. Supplement in-person visits by initiating a virtual visit to consult with peers or receive support for a specific patient need. Conduct routine check-ins remotely to reduce driving time and costs.

8. Generate checklists to remind staff about key activities and documentation for inclusion in the visit.

9. Send reminders to improve patient and caregiver satisfaction and engagement. For example, reduce no-shows by sending reminders of upcoming appointments to patients.

10. Auto-measure staff satisfaction regularly to identify and address issues to reduce staff attrition.

SPEED ONBOARDING PROCESSING
Capture and upload consents & insurance cards, and automatically upload to the home office

MEASURE STAFF SATISFACTION
Measure staff satisfaction to identify and address issues to reduce staff attrition

IMPROVE COMMUNICATIONS
Eliminate phone tag with HIPAA-secure texting among staff, patients, and caregivers

MONITOR PATIENTS
Use a combination of automated digital chatbot check-ins, secure messaging, and telehealth

FILL OPEN SHIFTS
Fill scheduling gaps by broadcasting openings and enabling your team to easily accept shift changes

Drive higher levels of enrollment, engagement and behavior change

SUPPLEMENT/REINFORCE PATIENT EDUCATION
Provide convenient access to patient education materials on a patient's digital front door

STREAMLINE CAPTURE OF CAREGIVER CREDENTIALS
Reduce management & staff trips to verify licenses, certifications & proof of auto insurance

PROVIDE CHECKLISTS
Provide simple digital checklists to remind staff about key activities and documentation needed

PRE-VISIT REMINDERS
Ensure needed caregivers are with the patient for the planned visit

STREAMLINE STAFF ONBOARDING
Automate onboarding staff forms and policy acknowledgments and more

Credit: QliqSOFT

Engage Digitally With Patients and Caregivers

Senior adoption of digital technologies has grown markedly, according to the Pew Research Center.

Cell phone ownership is nearly ubiquitous among Americans, with 97% ownership. While owner-ship lags as the population ages, 83% of those ages 50-64 have a smartphone, as does 61% of those 65 and older,[5] most family caregivers have smartphones.

Chatbots, which leverage conversational AI and national language processing, can be used instead for seamless interactions to increase CAHPS scores and staff satisfaction:

- Track patient and caregiver satisfaction
- Expedite patient onboarding with self-service options
- Educate patients and caregivers on their conditions, as needed
- Monitor patients remotely with a combination of automated digital chatbot check-ins, secure messaging, and telehealth
- Communicate with caregivers, replacing voice messages with text, phone, or virtual visits
- Help staff and caregivers avoid unscheduled home visits and/or hospitalizations
- Help patients and their caregivers improve their home health experience welcoming visiting healthcare professionals by issuing reminders with photos identifying the nurse, social worker or home health aide.

Make the Digital Transformation

Aging in place relieves the financial pressure of institutionalized care. Not only does remaining in the home significantly reduce administration cost and staff burden, but it also presents an affordable opportunity to better serve this population with high-quality care.

Armed with chatbots and other virtual care services, home healthcare agencies, with support from payers and the government, can build and strengthen long-lasting relationships with their patients who are able to retain as much independence and convenience as possible.

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