

Special to Monica Smith, Home Care Association of Florida

PREPARING NOW FOR EXPLOSIVE GROWTH IN HOME CARE

**Sanford “Sandy” Elsass
President**

Uni-Ter Underwriting Management Corporation

Over the next decade the demand for professional home care will explode as Baby Boomers become aging senior citizens. Ask any senior his or her preferred method of care. Their number one choice will be to stay at home.

Elder population growth alone will dictate major expansion of home care as facilities are pressed to meet needs. This is not a long range problem. Think about it. Only five years from now there will be 6.5 million Baby Boomers who are 85 or older in this country. By 2020, Florida will have the highest percentage of the population over 65.

According to a recent study by LarsonAllen – a leading research firm – Florida hospital and nursing home use by seniors 65 and older is among the lowest in the U.S. This means that they expect to receive the care they need in their own homes. The study predicted a significant shift to home care and community-based services. Baby Boomers are living longer, healthier lives and as their care needs develop, they prefer to stay at home.

Home Care is emerging as both a desirable and cost-effective alternative to Assisted Living facilities. For those who can manage the basic activities of daily living, Home Care is less expensive. There are no facility costs, and in most cases overnight services are not required. Visiting nurses can change dressings, administer IVs, and provide other routine care in from one to four hours a day. Hospice services also are being provided more and more to patients in their homes.

Demographic trends, availability of services, and consumer preferences all mean that long-term care providers need to take a step back and rethink the conventional business model for elder care. Leaders in the profession today are reevaluating the full spectrum of long-term care. Facilities are being designed or remodeled to provide homelike surroundings. The objective across the board is to de-institutionalize long-term care. Reflecting this trend, many facility operators are

expanding their services to include Home Care. Medicare reimbursements, as well as consumer demand, provide incentives to Home Care providers. Home Care also offers attractive opportunities for nurses who prefer not to work in institutional settings.

In building clientele, Home Care providers must cultivate close relationships with physicians in their service area to obtain patient referrals. Doctors order the number of home visits a patient requires, and they rely on therapists to advise on how many visits a patient needs.

Recently enacted healthcare reform will boost demand for medical services of all kinds. The need for nurses will expand dramatically, especially in Home Care for senior citizens. As Nurse Practitioners and RNs take on more responsibility, nursing schools will have to expand. The growth of Home Care with all of its benefits will be severely constrained unless more resources are put into medical education.

The LarsonAllen study also pointed to the insurance issues associated with Home Care. According to the study, dramatic growth in demand for Home Care and Assisted Living may increase the Professional and General Liability risks these providers face. Home Care services must clearly articulate the level of care available and put processes in place to help clients and families assess their Home Care needs. Otherwise, they will be exposed to misunderstandings that lead to costly claims and potential litigation.

At Ponce de Leon LTC RRG, Inc. and Lewis & Clark LTC RRG, Inc., Risk Retention Groups managed by my company, we work closely with Home Care clients to provide them not only with comprehensive liability coverage but also with professional risk management to improve care and reduce losses.

For anyone in our industry who doubts the potential of Home Care for seniors, the Wall Street Journal recently had this to say: “Home healthcare – treating sick patients in their homes rather than paying for costly hospitalizations – is the fastest growing area of the healthcare industry, aimed at saving billions of dollars every year.”

We know from experience working in all sectors of long-term care that Home Care is the wave of the future. Seniors want to stay at home. Providers profit from reimbursements available through the Medicare system. Healthcare costs are

contained by reducing institutional expense. In other words, Home Care is a win-win opportunity to serve the coming tidal wave of Baby Boomers and to reduce pressure on long-term care facilities.

Word count: 737

Sanford “Sandy” Elsass is President/CEO of Uni-Ter Underwriting Management Corporation, builders and managers of Risk Retention Groups in the long-term care industry. You can contact him at 845-920-7080 or selsass@usre.com .