

# Home Care Poised for Greater Demand

Save to myBoK

*by Val J. Halamandaris*

During the late 1980s and early 1990s, home health care was the fastest growing healthcare segment in the United States. Although Medicare cutbacks enacted under the Balanced Budget Act of 1997 have left many home health providers struggling to survive under restricted reimbursements, home care is poised to become the nation's most demanded form of care in the 21st century. The "megatrends" of demographics, technology, personal choice, and cost effectiveness will drive this growth.

## The Graying of America

Of all of the megatrends that will affect the future of home care, nothing is as significant as the graying of America. Because of stunning advances in science and medicine, people are living longer than they ever imagined possible. In 1776, the average life expectancy was 35. Today the average life expectancy is 76, and the 85-and-older population represents the fastest growing age group.

While successes in medicine help us live longer, infectious diseases have been replaced with chronic conditions that translate into living with pain, disability, or illness. Although some of today's 85-plus population are fit and independent, approximately 40 percent can no longer manage the activities of daily living without help.

In 1995, for the first time, more people died of chronic disease than of acute disease. This milestone means that healthcare professionals increasingly will be involved with disability management. As millions of Americans begin to need help with long term care and help to remain independent, they will rely on home- and community-based care. An estimated 33 million American households are currently involved in eldercare, and within the next two decades, that number is expected to double.

The growing proportion of older Americans to the total population will change every aspect of American life—most noticeably in healthcare. Increasingly the elderly will want to receive care at home.

## Healthcare at Home: Technology

Technology will also make it possible for patients to receive more complicated and varied tests and treatments at home. The Internet may allow us to use our televisions, telephones, and computers to order medical supplies, groceries, or home health care.

One only needs to remember the iron lung to see how far technology has come. Years ago, children with polio had to lie on their sides in a hot water heater relying on a large metal tube for every breath. The ventilator has now been miniaturized to the size of a clock radio and can be strapped to the back of a wheelchair to allow the people who are dependent on them to lead active lives.

Technology will not only make it possible for home care practitioners to provide more medical care at home; it will make it possible to observe the care that is given there. Technology will allow home care agencies to provide care to patients in remote and rural areas, using interactive television, for example, to monitor patients' conditions, record vital signs, and provide instruction.

## Personal Choice, Public Demand

As demographics will drive the need for home care and technology will drive the expanded availability of home care, personal choice will drive the public's demand for home care.

Common sense tells us that most people would prefer to receive healthcare in the comfort and security of their own homes over an institutional setting. A poll by the Harris and Gallup Organization reinforces this idea, finding that Americans prefer home care over institutional care by a margin of 9 to 1.

Other polls have found that the group most supportive of the expansion of home care is the baby boom generation. The key voting bloc in any presidential election, members of the baby boom generation are worried not only about how they will put their kids through college, but also about how to best care for their aging parents. This group is planning ahead for its own long term care needs more than any other generation.

American businesses also are recognizing the importance of home and long term care. More businesses are offering planning services and family leave to enable their workers to help care for their elderly parents. By supporting advance planning and information on long term care, businesses are finding that less productivity is lost on family caregiving.

There will always be a need for nursing homes to care for mentally disabled seniors, but if given a chance, most people prefer to be cared for at home.

## Cost Effectiveness

The final megatrend that will drive home care's success in the future is its cost effectiveness. Home care is always less expensive than care provided in the hospital. It is usually, though not always, less expensive than care provided in nursing homes. In fact, a recent series of studies commissioned by the Canadian government points to stark savings achieved by home health. The first study in the series, "A Comparative Cost Analysis of Home Care and Residential Care Services," compared the costs for home care and institutional care, pharmaceuticals, fee-for-service physician visits, and hospital services for elderly persons living in British Columbia. On average, home care settings were \$7,000 Canadian dollars less costly than institutional settings.<sup>1</sup> This study has profound significance because it also analyzes US studies, reaffirming those that demonstrate home care's cost effectiveness and criticizing those that have reached contrary conclusions.

Home care is the answer for many state governments that are looking to provide more care for their residents for a limited amount of money. A number of states have developed waiver programs that give home care agencies the opportunity to care for patients who would otherwise enter nursing homes, and programs such as these are expected to grow on state and local levels.

It may seem incongruous given the expanding need, but over time, Medicare and Medicaid will pay for a smaller percentage of home care services. More funds will come from the individuals who need care and from their families. Americans want health care and supportive services at home, and they are willing to pay for them. This will mean opportunities for home care providers to offer a diverse package of supportive services tailored to meet the individual needs of clients.

## The Future of Home Care

The future of home care looks bright because it is fueled by a series of unstoppable trends. The future will be about the management of disability. Our central concern will not be about curing disease, but about ensuring quality of life. Home care provides the best answer for using public and private dollars most effectively and most efficiently. There is wide support by some of the most powerful lobbies in Washington to expand home- and community-based long term care. It is not a question of whether this will happen, but a question of when.

## Note

1. Hollander, Marcus J., PhD. "Comparative Cost Analysis of Home Care and Residential Care Services." Available at the National Evaluation of the Cost-Effectiveness of Home Care Web site. Go to <http://www.homecarestudy.com/>.

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