



Paid In-Home Care:

# A GROWING PART OF THE MEDICAL-CARE CONTINUUM

A WHITE PAPER FROM



*To us, it's personal.*

## Section I

# ABOUT HOME INSTEAD SENIOR CARE®

Home Instead Senior Care is a U.S.-based international franchise network that provides high quality, non-medical home care for older adults. The Home Instead Senior Care network consists of more than 900 independently owned and operated franchise offices that help seniors and their families through the home-care stage of aging.

Franchise offices are located throughout the United States and in Canada, Australia, Austria, Finland, Germany, Ireland, Japan, New Zealand, Portugal, Puerto Rico, South Korea, Switzerland, Taiwan and the United Kingdom.

Home Instead franchise offices employ more than 65,000 professional, trained CAREGivers<sup>SM</sup> who, in 2010, provided more than 40 million hours of elder care services through more than 60 home-care activities. In situations in which a client has aging-related medical needs beyond the capabilities of non-medical home-care workers, referrals can be made to Home Instead's partners in the healthcare industry.

Home Instead was founded by Paul and Lori Hogan in 1994 in Omaha, Nebraska, and began franchising in June 1995. It was Paul's own family experience caring for his grandmother for 12 years that influenced his realization of the need for non-medical home-care and elder-companionship services to help seniors live independently at home.

By 1998, the Home Instead Senior Care network had grown to 99 franchises offices and was recognized by *Entrepreneur* magazine as one of the 100 fastest-growing franchise companies in the United States. In 2000, Home Instead began international expansion by establishing a partner relationship with Duskin Co. in Osaka, Japan.

The Home Instead Senior Care Foundation was created in 2003 to further the philanthropic mission of franchisees. The foundation's objective is to provide financial assistance to non-profit organizations specializing in projects that improve the quality of life for seniors.

Home Instead has been cited for its business success by the International Franchise Association and by several publications including *TIME*, *The Wall Street Journal*, *The New York Times*, *Entrepreneur* and *Franchise Times*. Company Founder and Chairman Paul Hogan has also taken on several advisory roles on aging issues, including serving as an at-large delegate to the White House Conference on Aging.

## Section II

# METHODOLOGY

This Home Instead Senior Care-commissioned research project—entitled the “Value of Caregiving at Home” study—examined the perceptions and experiences of U.S. caregivers for seniors by conducting a survey among adults (aged 18 and older) who were providing and/or arranging care for an older adult (aged 65 or older).

To ensure the integrity, independence and validity of this paper, an expert panel composed of medical professionals and academics, as well as senior-care and research experts, guided and approved both the methodology and survey instruments. Additionally, both methodology and survey instruments were reviewed and approved by the Western Institutional Review Board, a fully-accredited commercial institutional review board that reviews health and healthcare-related research projects according to FDA regulations and ICH guidelines.

Two separate samples were used: one involving caregivers whose care recipients were receiving paid in-home non-medical care; and a second group of caregivers whose care recipients were not receiving this care. The data was collected using a national panel of more than three million consumers who have agreed to take part in surveys conducted by professional researchers.

A detailed screening procedure identified qualified respondents, who then participated in this survey voluntarily. To be eligible, respondents had to be responsible for providing and/or arranging care (either totally or partially) for someone aged 65 or older who was not capable of complete self-care; and who was not living in a nursing home, assisted-living facility, or group home. After qualifying as a caregiver, respondents were then appropriately classified into “paid in-home non-medical care” or “non-paid in-home non-medical care” groups.

The definition of “non-medical care” was stringent, to include no registered or certified medical professionals whatsoever. For the purposes of this report, “medical professionals” will be thus defined as physicians; physicians’ assistants (PAs); nurse practitioners (NPs) registered nurses (RNs); licensed practical nurses (LPNs); licensed vocational nurses (LVNs); physical therapists (PTs); occupational therapists; or any other registered therapists. Some respondents were using both medical and professional in-home non-medical care; however, those relying solely upon professional medical care were excluded from this study.

The online survey instrument consisted of three component questionnaires designed to be administered sequentially. These questionnaires contained sections that allowed the following: demographic profiling of care recipients and caregivers; identification of the types of care provided; detailed description of the health status of the care recipient and the caregiver; assessment of the quality of life of both the care recipient and caregiver; and the collection of data related to caregiver employment.

Six-hundred and ninety-seven caregivers with paid in-home non-medical care completed all three surveys, along with 934 caregivers who were not using paid in-home non-medical care—yielding a total of 1,631 study respondents. Only those participants who completed all three surveys were retained in the survey-analysis process. Data collection occurred throughout January 2010.

## Section III

# THE GRAYING OF THE BABY BOOMER

The nation's population of senior citizens is about to rise to unprecedented levels. In 2011, the first of the Baby Boomers – the 78 million men and women born between 1946 and 1964 – will begin turning 65 at a rate of more than 8,000 per day. By year's end, the nation's senior population will have increased by almost 3 million, to nearly 49 million. By 2025, then, the total will reach 72 million – more than double the 35 million at the turn of the new century.

## The Medical and Financial Impact

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As the Senior Boomers continue to age, many will experience health and physical problems; some ailments will be long lasting, and some will occur in combinations. Indeed, 80 percent of the nation's current seniors have one chronic health condition, and 50 percent have at least two. <sup>1</sup>

Among the most troublesome chronic health problems faced by older (and even middle-aged) Americans:

### Impaired Mobility

More than 40 percent of those between 50 and 64 report problems with mobility; 2 percent are so impaired they need regular help with their personal care. <sup>2</sup>

### Alzheimer's disease and other dementias

More than 5 million Americans currently suffer from Alzheimer's. By 2050, the total in the 65-and-older population will rise to more than 13 million. <sup>3</sup>

### Stroke

Almost 800,000 strokes occur in the U.S. each year. Three-fourths of the victims are 65 or older. <sup>4</sup>

The financial consequences of the graying of the Baby Boomers will be far-reaching, including escalating costs for federal-entitlement programs – in particular, Social Security and Medicare. For example, in Fiscal Year 2008, Medicare expenditures totaled \$386 billion. The cost is projected to grow by 2018 to nearly \$800 billion. <sup>5</sup>

## The Shortage of Medical Care for Seniors

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To help prepare for this game-changing demographic shift, the United States must train many more medical professionals to care for ailing older adults. But this is not yet happening. In fact, just the opposite: the U.S. is experiencing a serious and worsening shortage of healthcare providers for seniors.

For example, according to the American Geriatrics Society, there currently is just one geriatrician for every 5,000 seniors. Over the next 20 years that ratio will decline to one geriatrician for every 7,665 older adults. <sup>6</sup>

In addition, concerns are mounting that impending cuts in Medicare reimbursements may prompt many U.S. physicians to begin refusing treatment to Medicare patients.

In the nursing field, the Senate Special Committee on Aging has reported that fewer than one in 100 U.S. nurses is certified to work in gerontology. If this trend continues, by 2020 the country's supply of geriatric nurses will fall almost 30 percent below projected requirements – leaving about one-third of American seniors underserved. <sup>7</sup>

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## Part of the Solution: In-Home Non-Medical Care

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Clearly, the two traditional core groups of healthcare providers – doctors and nurses – will need considerable help to serve the country's rapidly growing senior population.

Fortunately, the medical-care continuum for U.S. seniors has expanded in recent decades to include other healthcare professionals such as physicians' assistants, physical and occupational therapists, and home-health personnel.

And many of these practitioners provide care right where their patients live. This is a significant development, since about 90 percent of seniors say they want to age in their homes for as long as possible. In addition, the use of in-home care for older adults can take significant pressure off the country's cash- and resource-strapped hospitals and nursing homes.

**There are essentially two categories of in-home professionals: medical and non-medical:**

### Medical

The medical professionals subdivide into several specialties, each designed to address specific needs that seniors may have, including home-health nurses, physicians' assistants, and physical and occupational therapists.

### Non-Medical

The non-medical care professionals work with seniors who have reached a point in life when they need some help with daily and weekly routines. This may include assistance with trips to the doctor; reminders to take the right medication at the right time; meal preparation; light housekeeping; errands; shopping, and even Alzheimer's and dementia care. The result is companionship that allows seniors to feel safe and independent while they age in place in the homes they've lived in for years.

Many seniors only need the help of in-home non-medical care workers. Others may require a combination of non-medical and medical in-home care. In those cases, the non-medical care professionals work closely with the medical professionals to achieve the best results for the clients.

## Section IV

# THE HOME INSTEAD STUDY

Academic research commissioned by Home Instead Senior Care indicates that professional in-home non-medical care can be an integral part of the care continuum for seniors who also receive treatment from healthcare professionals. **More specifically, the research shows that for older adults, non-medical in-home care is associated with several important benefits:**

It can fit seamlessly into a regimen that would otherwise consist of more formal clinical care – especially for those who are older or who need more-intensive levels of care.

It is associated with a lower incidence of visits to the doctors' offices, potentially saving healthcare dollars and improving the quality of life for seniors.

It results in more hours of care – and in most instances, better care.

## A Supplement to Medical Care

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The Home Instead Senior Care study suggests that for seniors across the country, in-home non-medical care is rapidly augmenting the healthcare services these older adults already receive – especially care provided in their homes by non-physician professionals.

Thirty-five percent of seniors studied were being cared for not only by registered nurses, licensed practical nurses, home-health nurses and/or physical or occupational therapists, but also by non-medical personnel working in concert with these providers.

**Over a 12-month period, the seniors in the study group relied upon healthcare professionals at the following rates:**

- **Home-health nurses** – 60 percent.
- **Physical therapists** – 59 percent.
- **Physician assistant or nurse practitioner** – 37 percent.
- **Occupational therapists** – 32 percent.

Presumably, the 35 percent of seniors who used professional in-home non-medical care saw it as a valuable supplement to the medical care they received from these non-physician practitioners. This is an important development. It indicates that the increased use of in-home non-medical care can help lead seniors toward other labor- and cost-effective choices along the medical-care continuum.

35%

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## An Option for Seniors with Intensive Care Needs

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The Home Instead Senior Care study showed that the seniors with the most demanding needs made extensive use of professional in-home non-medical care.

Not surprisingly, those in need of more intensive care tended to be older: 75 percent of those receiving paid in-home care were aged 80 or above. And they often were sicker or more limited in their daily routines, especially when compared with seniors not using professional in-home non-medical care.

### Among seniors studied:

- **61%** of those using professional in-home non-medical care were characterized as having mobility problems, as opposed to 54 percent of those not using professional in-home non-medical care.
- **29%** in the first group had Alzheimer's, a rate nearly twice that of the second group's 16 percent.
- **43%** of the first group were suffering from other types of dementia, compared with 29 percent in the second group.
- **22%** in the first group were dealing with the after-effects of stroke, against 13 percent in the second group.
- **Nearly half – 48 %** – of those in the first group were categorized as being frail, as opposed to 37 percent in the second group. (The American Geriatrics Society defines frailty as characterized by “three or more of the following: muscle weakness; slow walking speed; exhaustion; low physical-activity levels, or unintentional weight loss.”)<sup>8</sup>

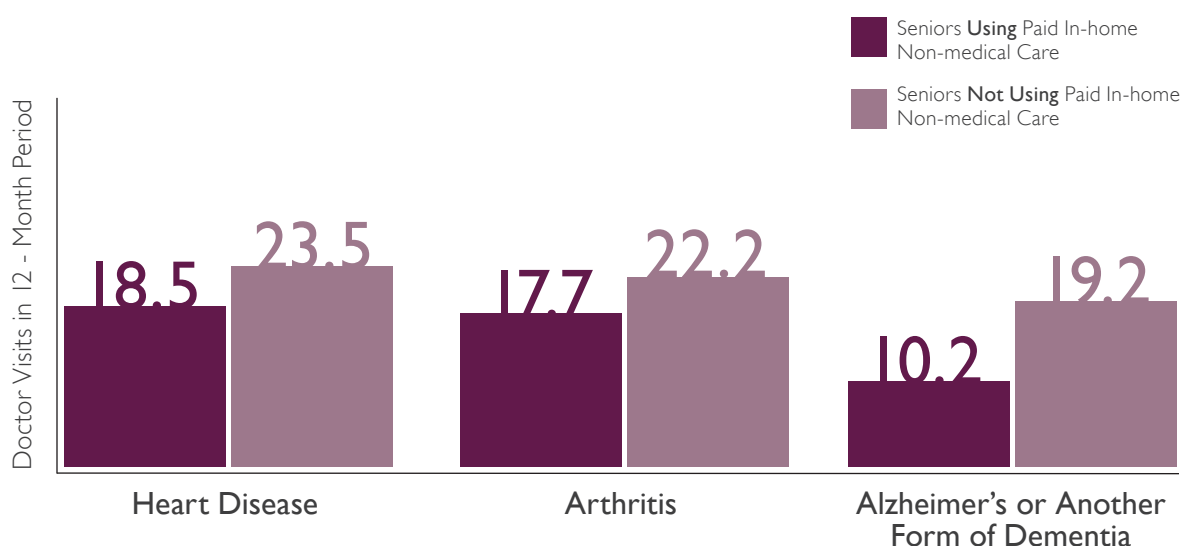
Thus, across the country, seniors and their families and friends are demonstrating that professional in-home non-medical care is a desirable means of augmenting clinical medical care for those older adults who have chronic health problems or who present demanding caregiving challenges.

## Fewer Doctor's Visits, Less Expensive Care

The Home Instead Senior Care study found that on average, seniors receiving in-home non-medical care required 25 percent fewer doctor visits each year (12.5) than the seniors who did not use such care (16.6). While more research on this finding is needed, it indicates that there could be a role that professional in-home non-medical care can serve in the healthcare continuum to reduce the number of expensive, in-office doctor appointments.

The following 12-month breakdown is for less-healthy seniors – those whose condition was rated by their caregivers as being worse than that of others in the same age bracket:

- Among care recipients with heart disease, those with professional in-home non-medical care required 18.5 doctor visits, compared with 23.5 visits for those without such care.
- For those with arthritis, 19.7 doctor visits for the first group, 22.2 for the second.
- Perhaps most compelling: among those with Alzheimer's or another form of dementia, 10.2 doctor visits for the first group, 19.2 for the second.



Based on the study, therefore, it appears that the care provided by professional in-home non-medical personnel helps reduce the physician care required by less-healthy seniors, as measured by their need to visit a doctor.

The prospective cost savings to older adults and their families and to the nation from a senior-care model that makes widespread use of in-home non-medical care to supplement clinical care could prove to be extraordinary. Extrapolating the results from the Home Instead Senior Care study to the millions of Senior Boomers yields potentially significant long-term financial benefits.

## More Care, Better Care

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Home Instead Senior Care's research shows that per week, recipients of professional in-home non-medical care typically receive far more overall hours of care per week – including paid and unpaid, medical and non-medical – than do older adults not using such services.

The difference is startling. The seniors who fell into the former group – those who received professional in-home non-medical care – got an average of 87.9 hours of care per week, compared with 35 hours for those who did not use such services. Put another way, in a given week, older adults who used in-home non-medical personnel received about two-and-a-half times as much care as the seniors who did not.

Thus, choosing what kind of senior care to use is not an “either-or” decision. Rather, professional in-home non-medical services can complement the care provided by other healthcare professionals, along with that offered by family and friends – thus resulting in more care, and more diverse care.

The family caregivers who participated in the Home Instead Senior Care study confirmed this finding when they rated the overall quality of in-home care for their seniors on a 1-to-5 scale: 78 percent of caregivers for seniors whose “bundles” included professional in-home non-medical services rated the overall quality of care as a “4” or “5” – in other words, “very good” or “excellent.” In contrast, caregivers for seniors not using in-home non-medical services assigned a 4 or 5 rating in 70 percent of cases.

In short, more care for seniors means better care, making it easier for them to remain healthier and happier in their own homes.

## A Supplement to Formal Medical Care

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The Home Instead Senior Care research shows that in-home non-medical care is firmly established as a means of augmenting the healthcare services that seniors receive from medical professionals such as home-health nurses, physicians' assistants, and physical and occupational therapists. Specifically, 35 percent of those seniors studied who were being cared for by non-medical personnel also were using trained healthcare professionals.

Thus, the remaining 65 percent of older adults studied in this group were using *only* professional in-home non-medical services to meet their care needs. This suggests that increasingly, in-home non-medical care functions as a jumping-off point from which seniors then enter the more formal medical-care continuum. Moreover, in some instances, the study indicates, the use of in-home non-medical personnel can delay or even prevent the need for more formal medical care.

## Healthcare Reform: Affirming Conclusions

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The nation's healthcare-reform legislation reinforces the conclusion that professional in-home non-medical services have a major place in the care continuum for older adults.

One of the law's provisions is the creation of a groundbreaking national long-term-care insurance program known as the "Community Living Assistance Services and Supports" Act (or "CLASS" Act). The projected daily benefit for enrollees in this program is \$50 – almost exactly the right amount to cover three hours a day of non-medical in-home care (an industry standard) at the typical rate of \$18 per hour.

The legislation also acknowledges the country's serious shortage of medical providers who are trained to work with seniors. The provision for "Geriatric Education and Training; Career Awards; Comprehensive Geriatric Education" earmarks millions of dollars to attract more healthcare professionals into the field of geriatrics; and to improve the quality of training through fellowships, grants and the support of geriatric-education centers around the nation.

Given their demonstrated benefits in increasing the range and quality of senior care, professional in-home non-medical services should become an integral element of healthcare reform for the nation's burgeoning senior population.

## Section VI

# CONCLUSION

The Home Instead Senior Care-commissioned research shows that as the number of older Americans rapidly expands, professional in-home non-medical care can play a vital role in shoring up a U.S. healthcare system that's already stretched thin in funding and staffing – and that will become far more strained in the coming decades.

The study found that the use of in-home non-medical care can help families provide more and better overall care for older family members, and that it augments healthcare services seniors already receive – especially care provided in their homes by non-physician medical professionals.

For those older adults who have chronic health problems or who present demanding care-giving challenges, professional in-home non-medical care is an especially significant supplement to clinical medical care, and family care.

In a particularly compelling finding, the study indicates that on average, seniors receiving in-home non-medical care reportedly required 25-percent fewer doctor visits each year. It is our hope that further investigation can be done to deepen our understanding of this relationship, which has major financial implications for seniors and their families, the healthcare system, and the federal budget.

And overall, the use of professional in-home non-medical professionals has a major impact not only on the quality of care that seniors receive, but also on the number of hours per week of care provided to these older adults.

Finally, the use of professional in-home non-medical care may help delay or even prevent the need for more formal medical care, potentially taking significant pressure off the country's cash-and resource-strapped healthcare system—especially hospitals and nursing homes. And in-home non-medical care may help lead seniors toward other labor- and cost-effective choices along the medical-care continuum.

## Section VI

# RECOMMENDATIONS

Given the growing importance of professional in-home non-medical services and their potential to improve the quality of senior care while saving the nation significant sums, a series of steps to encourage their growth and development is in order:

- **Tax-Policy Changes** - Create a national study commission to review the impact of the current tax code on senior healthcare decision-making, and make suggestions on how the code could encourage and support the most beneficial choices, like employing professional in-home non-medical workers.
- **An Educational Campaign** - Develop a continuing nationwide program to educate seniors and their families about the choices that are available along the healthcare continuum, and how to go about making the best decisions at each stage of the aging process. The campaign could be mounted by a coalition involving public senior-service agencies and the private-healthcare community.
- **A Youth Corps** - Create a corps of young volunteers who would be trained to work for, say, three years as in-home non-medical workers, perhaps using reductions in college-loan debts as an incentive.
- **A Senior Corps** - Often, some of the best in-home non-medical workers are seniors themselves. Social policies should be developed to encourage this trend.
- **New Senior-Care Options** - Offer federal grants to test innovative new programs in senior care.

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