Private Pay Home Care:
Where Are We Now & What’s Next?

Finding & Keeping the
Best Workers in Home Care
PRIVATE DUTY HOME CARE:
A Reflection on the Industry

By Merrily Orsini
Whether it's called a "Silver Tsunami," the standard "Age Wave," or something similar, the projections are clear that by 2030, almost 20 percent of our population will be over 80 years of age. Life expectancies are increasing and people are living longer, healthier lives. Yet as a nation struggling to reform our health care delivery system — and to determine the right way to do so in order to eliminate wastefulness and for the system to be efficient, effective, and sustainable — it seems so many of us have got our eyes closed when it comes to planning for how to cope with the rising tide of the elderly population.

Providing in-home care has evolved as one piece of a fragmented health care industry, with services divided by source of reimbursement and with few who understand the intricacies of making referrals appropriately. As an early adopter of geriatric managed in-home care for the frail elderly, I have been involved with home care for which one pays a fee since 1981. What has changed in the almost 30 years since then? There is more competition; franchising as well as new start-ups abound almost on every corner. There are licensure requirements in 31 states, with more in the works. There are better background and security check systems available. There are more and more people needing care and desiring to stay in their own homes as they age. Technology now allows for real-time monitoring and communication among the care team, and other innovations.

Anecdotally, the name "private duty" as it relates to home care came from people who were in a hospital setting and needed care at home after discharge. Patients would ask the nurses at the hospital to do "private duty" for them at home after hours or between shifts (the nurses' "regular duty" being work at the hospital). The crux of what is now called private duty in the spectrum of care services provided at home, wherever home is, lies in who pays for the care. Some also call these services "private pay," because the recipient (or his or her designee) is paying for the care and it is not being provided by a government source such as Medicare. Private insurance is also thrown in as a payer for this type of service, but payment source is not the only determining factor.

With private duty/private pay home care, it is usually the consumer or client (or his or her family or designee) who is involved in directing the care, not a physician or case manager assigned from an insurance company or third-party payment source. This does vary, however, across states, licensure requirements, and models of care. With all these variables, it's no wonder that so many people are confused about what exactly private duty/private pay home care is and where it fits into the health care continuum — and what the projections are for the future of this industry segment.

In the August 2008 issue of CARING, I defined private duty thus: "Private duty services are basically any supportive type of services. They run the gamut of errands and transportation, to companionship, to personal care, to nursing. Basically, whatever services someone needs to stay at home, or to supplement care in a facility for which they have the resources to pay, can fall under private duty or privately paid services. There is not usually a doctor's order needed, nor is there necessarily even a medical component to the services. The definition of private duty is therefore hard, as it really can be any type of service that is provided to someone who is frail or elderly to allow that person to have more independence in his or her lifestyle or choice of living situation."

There are currently many roles and many options offered by providers for the private duty market. Many things can be classified as private duty/private pay home care services, from custodial care, to non-medical services, to a variety of personal care options, to skilled nursing for which one pays a fee. Within the industry itself, there is also a wide variety of models, services provided, and ways that care is delivered. Gary Oppedahl, president and CEO of To Be A Blessing Healthcare in Albuquerque, NM, calls that private duty agency's care model "para-medical" home care, since it provides much more than just non-medical services. An engineer by degree, he understood the need for strong business processes.

From Day One, his business employed a nurse to make assessments and write plans for care, Oppedahl says. He sees one role of his private duty agency as helping people "navigate through the maze" of medical services and providers. Oppedahl says he feels that private duty home care plays the role of a "care coach," filling the gaps that are created where the family doctor model ceases to exist. His agency routinely fills these gaps for its clients in combination with case management and care management services. With a decline in
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availability of these services in any future health care scenario, Oppedahl sees these services as the next, most needed, and perhaps most useful evolution in home care.

Barth Holohan, president of Continuum in St. Louis, MO, has a social work background and feels that the reason behind the holistic approach Continuum strives to take for all its clients. A thorough, professional assessment is completed prior to any client starting care. Instead of just looking at whether or not someone needs four or five hours of care three times per week, Continuum employees examine “the big picture,” and private duty in-home care may or may not be part of that picture, Holohan says. The agency performs an extensive assessment that aims to provide a truer, more complete picture of the person’s mental, physical, and environmental ability to function in the home.

“For Continuum to be successful in the home, sometimes it might take more resources and people than the client is willing or able to afford or the family is able to tolerate,” Holohan explains, “so a higher level of care, moving in with a loved one, or having family members pitch in at night or on the weekends may be more appropriate. People tend to just respond to a demand or need that a family member has made — ‘Mom needs transportation’ or ‘Mom needs help with dressing in the morning’ — without looking at the bigger picture. Including a free in-home assessment by a social worker or related industry-trained professional tends to bring up other issues, from safety problems in the home to a bed that’s not appropriate, a lack of handrails, a rug that needs to be removed, or devices that need to be added to the home, and so on.”

“To have a successful in-home care relationship, certain things need to happen to allow for that success,” Holohan continues. “Success in the home is being able to keep the client as safe as possible, responding to the help he needs in an environment that keeps both him and the caregivers safe, doing the care duties the family desires and is paying for the agency to do. It’s a difficult ‘juggling’ process and can be a headache for all if not understood or done appropriately.”

Since care is paid for out of the consumers’ pocket, the quality of care provided is a good measure of the strength of the agency providing the care. Dorian Maples, co-founder/co-owner of Home Nursing Services and three other businesses that provide in-home services in Indiana, is a nurse who first entered the world of home care services through a position at a Medicare agency. With that background, she was able to transition into offering private duty services while still keeping many of the high standards and expectations she acquired through her experience with the Medicare program.

It’s now been 15 years since she started her first in-home care agency. Maples came from the nonprofit home care world, in which she found layers upon layers of bureaucracy. “To get anything changed, you had to go through all these committees,” she recalls. “But when you run your own business, you can make decisions — leadership is right there. If someone comes to me and suggests a change, it can just be done.” Maples says she came to private duty because of her love for “caring for the whole person” in a home environment. It gave her a much better understanding of the challenges clients faced in adhering to medical plans of care while also navigating non-medical care. “When you see all the various influences on that person day to day, it is intriguing,” she contends. “It was just a natural extension of my nursing to go into home care and to look at the challenges that individuals face when desiring to stay at home with care, and to problem-solve to make it happen.”

Shelle Womble, senior director of customer relations at ResCare, Inc., defines ResCare’s approach as more of a preventive one. She sees ResCare embracing long-term care in the home more from a custodial level, such that prevention is in place and the client’s independence can be supported. Womble notes that the commercial insurance industry is starting to pay more attention to in-home care, and says she feels that private
The commercial insurance industry is starting to pay more attention to in-home care, and private insurers may seek to utilize private duty home care more in efforts to lower costs for elderly individuals who are enrolled in their insurance policies. “The insurance industry is starting to pay attention to how custodial support services can create a healthier senior,” she says.

One of the things ResCare is doing is to create a customizable, full-service model of care that couples in-home care and geriatric care management services with technology. This service provision model allows the ability to combine a variety of services to satisfy a client’s specific needs and create a sustainable care plan that is client-centered and specific.

Aaron Marcum, now president of Home Care Pulse, sold his agency in Utah after eight years of operation in which it grew to be one of the largest in the state. It was painstaking attention to measuring client and employee satisfaction, and taking action on the findings, that Marcum credits for his agency’s growth. After his first year, while trying to grow the business and determine what its niche was and how to move forward with it, he contracted with a third-party service that performed monthly phone interviews of his clients. That provided what Marcum feels was priceless client feedback. He implemented this model very early on — one that explores, measures, and corrects practices — and claims it made an enormous difference in the way the agency grew and improved the quality of its services.

Marcum’s current business, Home Care Pulse, specializes in measuring client and employee (caregiver) satisfaction for the private duty industry. Marcum says he was so certain that this was a critical differentiating factor for his former agency that he’s now performing this service professionally for others. It allows agencies to see what their clients and caregivers are experiencing in the field. According to Marcum, “With a home care agency, it’s hard to know what is being experienced in the field; they have workers and clients who are not in-house, and it’s hard to know what kind of care is being delivered. No one is better to be the eyes and ears than the actual clients and caregivers.”

Each month, Marcum’s service conducts interviews with 10 percent of the clients and employees at each of its private duty agency customers, then benchmarks all the information to help agencies make genuine improvements to quality. In 2009, Home Care Pulse’s customers’ client bases grew by an average of 27.9 percent, which is significant growth. The company attributes much of its agency clients’ success to the ability to make quality improvements based on feedback received, which helps them make positive changes to their businesses and provide better service.

Ben Albert, co-founder and CEO of RentCare, agrees with others interviewed for this article in that he feels private duty home care will change significantly over time to become more geriatric care management-oriented. “It needs to be less about human resources and connecting a family to a caregiver and more about helping truly support that individual in living independently, and providing the tools necessary to do so,” Albert states. “Agencies that are providing purely HR services without managing care will be a thing of the past. With increased adoption of technologies and web-based matchmaking services, home care agencies will need to differentiate themselves by helping families make very challenging eldercare decisions through timely access to information and guidance from experienced care managers. The question is whether the agency is providing the level of communication and guidance to help a family member manage care, rather than just acting as a human resources firm that matches a family to a caregiver. ‘Matchmaking’ of this kind is important, but agencies that focus only on that will be surpassed by those that take a more holistic and individualized approach toward managing a person’s care.”

As a professor at Southern Oregon University in charge of its Management of Aging Services Program, John Bowling, PhD, is in a position to assess the in-home care industry in a broader sense. His program was developed in response to dra-
matic changes in the industry, and the university is seeking to prepare students to play significant roles in home care and other industries that address the needs of older adults. Bowling defines private duty as “care assistance that allows one to age as independently as possible in a manner suited to his or her unique needs and wants. Home care really is about being part of a support system that allows people to live where they want to live, and adds to meaningful life quality.”

Bowling says that change is needed in how we perceive health care as a society. “For quality of life and financial reasons, we’ll have to create a major paradigm shift that looks at health care as caring for one’s health across a life span. When people hear ‘health care’ they think of illness — as if there must be something wrong. As we go forward, health care will switch to mean ‘wellness,’ and people will need to address this in the private home and community setting,” he contends. “Because of that, there’s an opportunity for more creative support systems to help with a wellness focus.”

“Positive aging,” according to Bowling, “is a lens that looks at holistic functioning, including spiritual and mental health, psychosocial issues, and nutritional issues, and, most importantly, supports the notion that it’s important to define and find purpose in late life despite decline. If people have a sense of purpose, no matter what their situation is in life, it’s a reason to wake up with a smile each day.”

Bowling views home care as a natural support system for maintaining wellness in communities. Private duty home care agencies can play a role in a variety of ways, including by participating in the broader definition of health care — that is, “health care” as maintenance of the spectrum of holistic health measures occurring each day in all of our lives — and playing that broader role by monitoring and collecting data on how people are functioning in their homes. “If they’re able to do that and have a way to share that information with the broader health care system, it creates opportunities to intervene before major problems occur,” Bowling contends.

He also sees technology applications offering opportunities, such as social media making possible new social connections without having to leave the home, playing bridge and chess with older adults remotely, and using technology in areas of cognitive fitness and determining baseline function. In addition, technology can be used for exercise to promote physical health such as in Nintendo’s Wii games that replicate different kinds of sporting activities. “Technology will become a bigger and bigger part of the home care industry as a tool,” Bowling says, “not as a replacement for the human touch, but to enhance quality of life and improve communication. Technology can be used as a tool to engage people remotely, taking advantage of webcams, to make more frequent contacts and other touches that add quality to people’s lives. Someone could be sitting in an office at work and could use a webcam to sign in and check on mom or dad, remind them to take their medication, and so on. There will be ways to use technology to decrease cost.”

As Womble describes it, ResCare offers “a continuum of technology.” The company’s basic level of care/monitoring uses Personal Emergency Response System (PERS) technology, devices that can be pressed to signal for assistance immediately. The highest level is ResCare’s “Rest Assured System,” a program that combines sensors, cameras, and a call center of caregivers that are trained to provide care — as opposed to a tele-medicine model with biomedical equipment to monitor things like blood pressure.

The concept behind Rest Assured is that it provides oversight from afar with two-way video and audio and utilizing various sensors to enable the tele-caregiver team to assess when someone needs assistance. They can track behaviors in the home such as what time the client gets out of bed or if a client experiences a fall, monitor and record temperatures in the home, and detect fire or high levels of carbon monoxide. They have door sensors to monitor who is visiting and when. They can “drop in” and virtually visit the client. A range of diagnoses can be supported with this technology, according to ResCare; one specific usage is for people in the beginning stages of dementia or Alzheimer’s who are living at home and starting to lose cognitive function. These people do not need a caregiver all the time, but rather, less invasive supervision. ResCare contends its technology is minimally invasive, since it “stays in the background,” only interacting or being activated as a support mechanism when needed.

Another key element of ResCare’s Rest Assured product is a family portal, which is designed to give long-distance families the ability to interact, view from afar, and feel more in touch with their loved ones. The family portal is available online. “The family can be connected to see through the cameras what the telecare people can see,” Womble explains. “Family members can zoom in and out, have a conversation, and, if they have a
camera on their PC, the loved one can see them too,” she notes. “The family can look at all the sensors and record-keeping, and see if the tele-caregiver made any notes. And if the family wants to be notified if and when certain things happen with the sensors, a text or email can be sent to them as well.”

RemCare, too, embraces technology to assist caregivers. The company provides a web-based platform that enables communication and collaboration between a team of people who are trying to support an elderly individual living independently. A major challenge in being a part of a care team, according to RemCare, is having timely access to information in an often siloed and fragmented health care delivery system. This fragmented care and poor communication leads to unnecessary transitions of care and poor quality.

“Making certain the people who need information have it available in their time of need is critical,” RemCare’s Albert maintains. “It’s a big job to manage someone’s care when he or she is aging in place, but staying at home is what people desire and it is proven to yield better results.” The RemCare platform allows care teams to collaborate and better coordinate their efforts, according to Albert, who adds that the company often hears from family members who say the service helps them feel more in control with the care of a frail or elderly loved one, “and that reduces their stress.”

That’s exactly the point, Albert says: helping people feel less stressed in managing a loved one’s care and empowering them to make better care decisions. “A family member needs access to the medication list prior to a doctor’s visit; needs to have access to trusted resources in the community; needs to know what happened when the aide was in the house last week; needs to know who will be in the house and when; needs to have access to trends in activities of daily living,” he asserts. “All of this must be available in one place to prevent the fall that breaks a hip or an unnecessary hospitalization due to fragmented care and poor communication.”

Given all the changes and evolution in providers, payers, and technology, what’s in store for the future of home care? “Private duty home care is going to be a place where Americans get their care management in the future,” Oppedahl contends. “Primary care physicians, specialists, and silos in the community aren’t doing it. The nurse and nursing staff are handling medication reconciliation, coaching on fall prevention, coaching on signs and symptoms to help people know if they’re getting well or not getting well. Action plans are put on people’s refrigerators telling them very clearly what they need to do: take a walk every day, drink lots of water. So many patients come home from hip surgery and sit around — if you’re an 87-year-old female sitting and not getting up to get water or use the bathroom, it creates a high risk of a urinary tract infection. Many of them just don’t know these things.”

As for future predictions for private duty home care from Maples, she underscores her belief that this industry will continue to grow. Her co-workers, she maintains, are extremely dedicated people with “a passion and joy in working with others.” Even so, Maples contends the future could be something of a “wild guess” — private duty is still a new frontier at this point, and is just now beginning to see more regulations to protect consumers in various states. “There’s a lot of change coming down the road,” she says. “An area that will also grow is employee benefits; along with offering other services such as geriatric care management.”

“It will be an interesting future” for private duty, according to Holohan, who notes that some trends in the industry are being fueled by the difficult economy. “In St. Louis, there are a lot of people entering the market due to the fact that there are low barriers to entering the private duty industry. A lot of people have lost their jobs and it’s an appealing industry; and meanwhile, there are a lot of seniors out there that need care,” he says. “Over the next few years, there should be an ebb and flow of people coming into the market. The industry will really grow in the next five to 10 years as Baby Boomers start aging over 65,” Holohan predicts. “The concern is not necessarily whether there will be enough clients, but enough quality caregivers in the industry as a whole. It will be tough.”
Private duty home care "provides a valuable service that the greater health care community needs to be more aware of," says Albert. "As that occurs, the home care industry will change as well to provide services to hospitals, rehab facilities, etc. Home care has been fairly disconnected from hospitals and the primary health care setting, and now there's an opportunity for it to connect better."

For her part, Womble predicts that the private duty home care industry will be, as it has always been, consumer-driven, and will shape itself based on clients' needs and wants. "Private duty will continue to be a blend of entrepreneurial solutions that have always been the basis of this industry — everything has been born out of a need. It's all based on what clients are asking for, so it will be a blend of that combined with some emerging standards for care. The commercial insurance world is starting to pay attention to the benefits that can be realized by avoiding the cost of unnecessary hospitalization, especially from non-compliant folks who are 'frequent flyers' to the hospital. People are starting to realize that the custodial level of care can offer a way to support and maintain compliance and achieve healthy, preventative solutions," Womble says.

Oppedahl adds another take on the future: he says it's absolutely essential to build communities in which people want to live. He cites a USA Today article arguing that even if one out of five commercial buildings built over the next 25 years was for retirement/assisted living/nursing homes, it still wouldn't be enough — and buildings for those purposes aren't being built that fast. He also believes that the biggest challenge will be maintaining an adequate supply of quality caregivers, and that technology will help stretch limited staff resources. Baby Boomers are used to technology, and as more of them need care and support services, there will be more technology, he points out.

"When building homes in the 1980s and 90s, we used to pre-wire for stereo, cable, etc.,” Oppedahl notes. "In the same way, continuing care retirement communities being built will need to have capabilities for distributed networks — networks that any device can wirelessly tap into and ensure that people can be monitored at all times. Simple devices like sensors in chairs, bracelets that monitor pulse and oxygen, a scale built into the floor in front of the bathroom sink so that every time people wash their hands, a reading is taken — all this information can be fed into a database to monitor unobtrusively for weight, oxygen, blood glucose levels, and so on," he explains.

"This is the wave of the future," Oppedahl contends. "If people haven't moved in awhile or if they're following normal routines, computers can track this easily. It sounds a little 'Big-Brotherish,' but there will be people who will not only accept but embrace it."

Thus if you are in the private duty industry now or looking to enter it, the consensus is to pay attention to technology, geriatric care management, measuring quality, and finding, training, and keeping your caregivers happy and employed by you. Making these tenets of your business should go a long way toward success — now and in the future.

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