



Pennsylvania Homecare Association

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University of Pittsburgh Study: State Needs to Remove Barriers to Homecare

LEMOYNE, PA— Wednesday, May 30, 2007— With increasing numbers of Pennsylvanians entering retirement age – and a large majority determined to stay in their homes – homecare providers are well equipped with the skills and technology needed to provide long-term care services where patients want it. However, a University of Pittsburgh study released today points to a healthcare system that is not making full use of homecare’s potential.

According to the report, *The State of the Homecare Industry in Pennsylvania: Bringing Care Home*, Pennsylvania’s homecare industry cares for more than 190,000 clients each week – more than the total number of licensed beds in all the hospitals and nursing homes in the state. “But until personal care in the home is paid for by Medicaid for all eligible Pennsylvanians as it is for nursing home care, Pennsylvania will continue to struggle to gain a balanced long-term care system,” the report’s authors said.

“More than 90 percent of Pennsylvanians want to stay at home as they age but because of the perverse incentives set-up by the public insurance system we see a disadvantage in using homecare services,” said Nick Castle, PhD, of the University of Pittsburgh. “This perception is magnified by the numerous barriers set up to deter the use of such publicly funded services, while access to more costly institutional care is ‘barrier free.’”

“By amending our state Medicaid plan to include in-home personal and supportive care and new technologies that help people remain at home, Pennsylvania could have a true consumer driven system,” Castle said.

“The Pennsylvania Homecare Association (PHA) commissioned the report for two reasons,” said Vicki Hoak, PHA executive director. “First, Pennsylvania’s changing aging demographics and the ‘consumer choice’ movement has ignited an industry that is basically unknown in size and scope. Second, the national shift in the long-term care system from one based on institutional care to a home and community based model required further analysis to ensure its future capacity.

“This report acknowledges this industry’s efforts to accommodate consumers’ preference to have care and support brought to them – in their homes,” she added. “However, it also identifies the critical staff shortages that exist and how technology can fill in the gaps. Pennsylvania is already a national leader in the use of in-home technologies with more than 7,000 units in circulation. It’s time that Pennsylvania broadens its definition of and removes the barriers to long-term care to include an array of services that are available to all individuals who are older or disabled by ‘Bringing Care Home!’” said Hoak.

The economic impact of the homecare industry is also revealed in the report. John Engberg, PhD, an economist with the RAND Corporation and one of the study’s authors noted his surprise at the industry’s size. “The total contribution of the homecare industry to the state is more than just the care it provides for its clients or the job it provides for its 68,000 employees,” he said. “About \$8.2 billion of economic activity is generated from the homecare industry through direct and indirect spending.”

The Pennsylvania Homecare Association is headquartered just outside of Harrisburg, representing more than 300 agencies that deliver care and support directly in the homes of more than 750,000 elderly and disabled citizens in the state of Pennsylvania. To learn more about in-home care or for a copy of the report, visit the PHA website at www.pahomecare.org.

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State of the Homecare Industry in Pennsylvania: Bringing Care Home ** Report Highlights **

- In Pennsylvania there are:
 - 334 Medicare-certified home health agencies – providing skilled medical care
 - 242 private duty homecare agencies – providing personal care
 - 134 hospice agencies providing end-of-life care.
- Homecare agencies employ 68,000 full-time staff - 19,230 are homecare aides.
- Homecare agencies care for 190,000 individuals in their homes on any given week
- In a year's time, homecare agencies bring care home to approximately 750,000 Pennsylvanians.
- Pennsylvania's homecare providers are national leaders in telehealth use – with more than 7,000 units being used in people's homes.
- Homecare workers drive more than 207 million miles in one year, generating \$2.9 million in gasoline excise tax for the state.
- Homecare contributes \$8.2 billion to the state's economy
 - \$3.5 billion in direct spending
 - \$4.7 billion in secondary spending or the 'ripple effect'
- More than 74 percent of certified home health agencies are accredited by JCAHO or CHAP
- 44 percent of private duty homecare agencies are accredited
- Staffing shortages were identified as a major concern by all types of homecare providers.
- There is a 23 percent turnover rate for home health and private duty homecare agencies. .
- Home health care services are projected to be the fastest growing industry in the country over the next decade.
- An additional 7,800 personal and homecare aides in Pennsylvania will be needed by 2014.
- Pennsylvania is one of only 20 states the do not offer in-home personal care for low-income individuals.¹
- Pennsylvania's Medicaid program spends \$6.7 billion on long-term care
 - \$4.4 billion (65.3 percent) for nursing facilities
 - \$1.6 billion (23.9 percent) for home health and personal care.²

¹ Across the States: Profiles of Long-Term Care and Independent Living, Pennsylvania (AARP, 2006)

² State health facts, Retrieved April 24, 2007, from <http://www.kff.org/medicaid/index.cfm>