

What is Home Care?

Home care, or in-home personal care, is the fastest growing segment of health care in America. Home care includes any professional support services that allow a person to live safely in their home, but it is not to be confused with home health, which is a Medicare benefit requiring doctor-prescribed and medically necessary care for older adults.

26,000
home care agencies in U.S.

The 2.4 million home care aides employed by agencies assist with activities of daily living, such as bathing, dressing, meal preparation, eating and light housekeeping, as well as assistance with medications, transportation, and companionship. Home care aides often serve as a crucial set of “eyes and ears” for family members and physicians. Home care also encompasses Private Duty Nursing (PDN), which is medically necessary nursing services under Medicaid caring for medically fragile patients, primarily children. This care is not the same as Medicare Home Health.

Monthly Costs:
Nursing Home - \$8,910
Home Care - \$4,516

Not only is home care the care of choice for most people – it is also an economical option. Older adults (average 80 years and older) with functional limitations who received home care resulted in \$500 per member per month lower health care costs than those NOT receiving home care. A study published in the *Annals of Internal Medicine* found that more than \$4 billion in Medicare costs are due to lack of non-medical support for older adults with disabilities who have trouble with self-care and household activities. These costs are also apparent in the Medicaid PDN population, where lack of access costs thousands of dollars a day in unnecessary hospital costs per patient.

household activities. These costs are also apparent in the Medicaid PDN population, where lack of access costs thousands of dollars a day in unnecessary hospital costs per patient.

Home care paid for by:

- Individuals and families
- Private or long-term care insurance
- Medicaid
- Veterans Affairs Benefits
- Medicare Advantage Supplemental

Home care is governed by a patchwork of regulations that vary from state to state and are not uniformly monitored. Currently, 20 states do not have any regulations for home care. While PDN is regulated as licensed nursing care, the standards are not streamlined, as requirements vary by state.

The Home Care Association of America (HCAOA) is a national trade association representing home care agencies across the U.S. We operate state chapters comprised of home care owners who volunteer to lead

advocacy efforts at the state level on issues like Medicaid home- and community-based services, state licensure regulations, and other senior care and disability services. In February 2022, HCAOA released [State of Home Care: Industry at a Crossroads](#), which showcased data, industry challenges, and new policy priorities concerning the state of home care in the United States.

The report led to HCAOA committing to the following policy priorities:

1. Establishing National Standards of Care
2. Collecting and Evaluating Data to Validate Value of Home Care
3. Embedding Home Care in the Healthcare Ecosystem
4. Supporting Caregivers – Both Family and Professional
5. Addressing Immigration to Mitigate the Caregiver Shortage
6. Financing Care in an Era of Rising Longevity

