



## WHAT IS THE FUTURE OF HOME CARE?

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The future of home care seems uncertain given the challenges with reimbursement, changes in regulatory requirements and lack of work force development to support the allied health professions that deliver the services in the home. Home care faces many changes, from funding to changing patient populations. Home care providers must assess what they're doing and take into account these changes as they face a new set of realities that will reshape and redefine the way home care services are delivered. There are essential truths that are clear. These truths are the result of the driving forces that establish the changes and more importantly the need for changes. As Centers for Medicare & Medicaid Services (CMS) charts the course for how services are reimbursed, the other payors of healthcare in this country will follow. That said the focus on how businesses are structured must take into account the limited resources to deliver the quality and quantity of care necessary to ensure positive health and economic outcomes. To put it in simple terms, the care and services

**Care and Services in the home must meet the needs of the patient but not drive the provider out of business**

that are delivered must be sufficient to meet the needs of the patient while not causing the home care provider to go out of business. The reimbursement forces are predictable and inevitable. Together, they will redefine services and the focus of health care in the country. The current presidential primaries and campaigns have touched on the surface of the issues but make no mistake the challenges are here to stay. In response to these driving forces associated with the reimbursement issues, home care providers will have new options. For example, they can provide non-traditional services not typically thought to be in home care; for example, telemedicine. Telemedicine will be a viable option available to help reduce the pain points associated with poor reimbursement. Telemedicine is in its infancy however home care providers that do not prepare for this option will not capitalize on the benefits of additional reimbursement afforded to organizations who utilize the technology to monitor patients in the home. One of the goals of telemedicine is to prevent readmissions of patients in the hospital through the prevention of exacerbations related to their conditions

thereby helping to reduce costs. To take advantage of this option home care providers must begin to prepare and develop mechanisms to add telemedicine as a viable option. Home care providers must broaden their vision and mission and add new expertise to their staff to prepare for telemedicine. In addition, home care providers must engage in specific actions now to add efficiencies and streamline how they operate on a daily basis. The absolute focus must be to reduce operational expense, (cost of doing business, cost of sales, labor and delivery expense associated with high fuel costs and maintenance of vehicles and equipment) and the addition of information technology (computer programs – software and hardware) to strengthen their operations to position themselves for a much more dynamic future.

### **The 'Baby Boomers' are growing Older**

The age and education of those who are recipients of home care will take a new twist. The percentage of the population over the age of 65 is growing dramatically and the baby boomers will be an overwhelming force when they reach the Medicare-eligible age. People 65 and older represented 13% of the population in the year 2000 (U.S. Census Bureau Statistics) and by the year 2030 will represent 20% of the total U.S. population. Baby Boomers represent a healthier population in comparison to times past and they are actually living longer as well. They are more informed and educated on health related issues, disease prevention and technological advances in medicine. Technology has contributed to the length and quality of life experienced by this age group. With more and more people getting older and living longer, we face a major financial and resource dilemma in caring for people over 65. Both Social Security and Medicare programs will experience severe financial difficulties in the near future. According to a report in the January 28, 1999 issue of the New York Times, the ratio of workers who pay taxes compared with retirees drawing benefits has long been shrinking. By the time most baby boomers have retired, there will be only two people at work for each person receiving benefits. When that happens, programs (CMS and Social Security) will go into the red. Some economists and politicians think the problem will develop for Social Security around 2034; and Medicare is expected

to run out around the year 2015. While there may be some disagreement as to exactly when it is going to happen, there is no doubt in anyone's mind that if we don't do something soon, we will not have the resources to take care of our aging population. We need to put more money into Social Security and Medicare or reduce our cost. Home care providers can be a part of the solution by reducing their costs associated with the delivery of care and services in the home.

### **Home Care: How do we prepare?**

We've heard rumors of new payment methodologies in the past and waited until the changes occurred versus prepare. We heard about competitive bidding and rather than prepare through the development of data supportive of the effectiveness and efficiency of home care we relied on lobbyist to defend our case with members of congress. Data is the most enduring and lasting solution. We now hear about a payment methodology known as pay-for-performance, which simply put can be interpreted as: you do a good job; you get paid for what you do. The fact is the payment will be based on the healthcare provider's proof that the health of the patient improved as a result of the type of care and services delivered. As home care providers deal with a plethora of challenges, it is sometimes hard to see beyond today. The fact is we have to deal with today in order to be around tomorrow. But, we must also recognize that tomorrow offers new challenges as well as new opportunities. There are two actions home care providers must and should consider initiating now. First, begin the process of redefining the mission and focus of your organization. This is accomplished through a comprehensive strategic planning process, one that involves the employees and management and most importantly outside expertise or a 'consultant' to help facilitate the process. In redefining your mission, don't abandon your traditional or core services but instead build upon them while looking for additional opportunities with non-traditional services.

By approaching the process while not abandoning your core services you create the stability necessary to provide the sense of a strong foundation with your staff. However it is essential that you emphasize the need for significant changes in your organization to support the survival and success of the company. By including the staff in the planning phase you get their 'buy-in' and support as they will own the recommendations and drive performance more effectively. The second action is to begin exploring options, which will involve performing a gap analysis in addition to a SWOT (strengths, weaknesses, opportunities and threats) analysis, identify emerging trends and services that are needed (e.g. hyperbaric medicine or wound care, sleep diagnostics, etc.) and identify opportunities to service your existing population with other services that are needed. We have embarked on a new journey in home care. The economy has changed the dynamic of how we spend money; expend resources and home care practices of old must be abandoned to effectively prepare for a viable future in healthcare. The question that remains is not whether the changes will occur, it is will we simply be observers of the new changes or active leaders in helping to direct the growth and destiny of home care and home care services for our future.

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