Opportunities & Challenges for Home Care Co-ops

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## A Different Paradigm To Think About Home Care

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<thead>
<tr>
<th>Private Pay</th>
<th>Insurance</th>
<th>Veterans Admin.</th>
<th>Medicaid</th>
<th>State / County</th>
<th>Medicare</th>
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<td><strong>Personal Care Aides</strong></td>
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<td><strong>Home Health Aides</strong></td>
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<td><strong>Nursing Assistants</strong></td>
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<td><strong>Licensed Voc. Nurses</strong></td>
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<td><strong>Technicians</strong></td>
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<td><strong>Registered Nurses</strong></td>
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New Competition

16,000 New Establishments Since 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Establishments</th>
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<tbody>
<tr>
<td>2010</td>
<td>22,149</td>
</tr>
<tr>
<td>2011</td>
<td>23,037</td>
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<tr>
<td>2012</td>
<td>27,306</td>
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<tr>
<td>2013</td>
<td>32,688</td>
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<td>2014</td>
<td>37,978</td>
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Mostly Small (Less than 20 Employees)
OCCUPATIONS WITH THE MOST JOB GROWTH 2014 TO 2024

- Home Care Workers: 633,100
- Registered Nurses: 439,300
- Fast Food, Food Preparation, and Serving Workers: 343,500
- Retail Salespersons: 314,200

NEW HOME CARE JOBS BY OCCUPATIONAL TITLE 2014 TO 2024

- Personal Care Aides: 328,000
- Home Health Aides: 254,700
- Nursing Assistants: 50,400

Total: 633,100
Why Spend $300?
3.7 Historical Median Revenue - Overall

Median revenue for the industry has grown by 48.6% over the last five years.
3.29 Historical Caregiver Skill Level Median Billing Rates - Overall

- **2012**: $19.00 (Companion/Homemaker), $20.00 (Personal Care Attendant), $20.50 (Certified Nurse Assistant or Home Health Aid)
- **2013**: $19.00 (Companion/Homemaker), $21.00 (Personal Care Attendant), $22.00 (Certified Nurse Assistant or Home Health Aid)
- **2015**: $20.50 (Companion/Homemaker), $22.00 (Personal Care Attendant), $22.00 (Certified Nurse Assistant or Home Health Aid)

*This question was not asked in the 2015 Study for the year 2014.*
How Are Home Care Agencies Going to Deal with Affordable Care Act?

- Provide the required health insurance plan for all employees working 30+ hours a week: 35.7% (35.7%), 31.4% (31.4%)
- Keep the majority of my employees to 30 hours or less per week: 18.4% (22.9%), 26.2% (26.2%)
- Always operate with less than the equivalent of 50 full-time employees: 20.5% (14.7%), 16.5% (16.5%)
Recruitment & Training
6.1 Top 10 Caregiver Recruitment Sources/Methods in 2015 - Overall

- Internet - Craigslist.org Job Ads: 20.1%
- Internet - Indeed.com: 17.0%
- Employees - Current Employees (Employee Referral Program): 12.6%
- Internet - myCNAjobs.com: 12.7%
- Referral Sources - Word of Mouth (Reputation): 6.0%
- Internet - Your Website: 4.1%
- Internet - Career Builder: 3.4%
- Advertising - Daily Newspaper Classified Ads: 3.0%
- Community Events - Job Fairs: 1.6%
- Referral Sources - CNA or Home Health Aide Training Schools/Programs: 1.4%
6.12 Orientation Training Hours for 2015 - Percentile Ranking

Survey participants were asked, “Approximately how many hours are your initial caregiver trainings/orientations for your newly hired caregivers?”

Percentile graphs illustrate rankings on a scale from 1%-100%. For example, if your results, based on the value above, fall somewhere in the 75th percentile, you are exceeding 75% of the industry in that particular measurement.
6.20 Most Mentioned Professional Training Programs Used in 2015

Survey participants were asked to select all the professional training programs their business uses.
Turnover
6.23 Historical Median Caregiver Turnover Rate - Overall

- 2011: 49.8%
- 2012: 52.6%
- 2013: 53.2%
- 2014: 61.6%
- 2015: 59.7%
This graph shows the median caregiver turnover for those providing 5+ orientation training hours versus those providing less than 5 hours or orientation training. 5 hours was selected as it represents the 50th percentile or median.
6.22 Median Caregiver Turnover Rate for 2015 - Ongoing Training Hours

- 63.8% with 8+ ongoing training hours
- 68.4% with less than 8 ongoing training hours

This graph shows the median caregiver turnover rate for those providing 8+ ongoing training hours versus those providing less than 8 hours of ongoing training. 8 hours was selected as it represents the 50th percentile or median.
6.9 Top Recruitment Sources for 2015 - Median Caregiver Turnover

This graph shows the median caregiver turnover for the top recruitment sources in 2015.
6.24 Historical Caregiver Turnover Rate - Percentile Ranking

Caregiver turnover represents the percent of caregivers who quit or were terminated in 2015. Providers had to have been in business for at least one full year. Basic caregiver turnover is calculated by taking the number of caregivers who quit or were terminated in the year and dividing that number by the number of caregivers employed in the same time period.
6.32 Caregiver Wages Comparison - Median Caregiver Turnover for 2015

- Pay Caregivers Above the 75th Percentile: 50.0%
- Pay Caregivers Below the 75th Percentile: 62.6%

Data compares the caregiver turnover of those providers who pay their caregivers above the industry 75th percentile to those who pay their caregivers below the industry 75th percentile. On average for every $1 per hour more you pay caregivers, it decreases annual CG turnover by 13%.
Moving Forward & Next Steps