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Empower the Aging and Staffing Crisis with Digital-First Strategies

Virtual Healthcare Extends Into the Home

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Individuals Want to Age in Place

This is the golden age of older people. Between 2020–2060, the number of people 65 and older is expected to skyrocket from 56 million to nearly 95 million, amounting to a whopping 69% increase.

Ask older Americans (ages 50–80) where they want to live as they age, and 88% say they prefer aging in place, living in their own homes for as long as practical. The University of Michigan National Poll on Healthy Aging also showed that nearly half of all respondents had given little or no consideration to the modifications that might be required to their homes to facilitate aging in place. Adults 65–80 were more likely to consider modifications than their younger peers.

But the consensus is clear — people want to stay in their homes, which is why home healthcare is critical.

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	All Medicare HH Users	All Medicare Beneficiaries
Age 85+	24.5%	10.9%
3 or More Chronic Conditions	82.3%	59.3%
2 or More ADL Limitations	27.8%	10.0%
Report Fair/Poor Health	42.2%	23.2%
Incomes ≤ 200% of the Federal Poverty Level	57.1%	43.6%

Increasing Demand for Home Health

Analysts estimate the size of the U.S. home health market at $120 billion in 2022. After growing by 3.1% per year between 2017-2022, that growth accelerated to 4.1% in 2022. The home health segment is growing faster than the economy overall, notes IBISWorld.[3]

Not too many years ago, home health was seen as the care setting after a post-acute care facility such as a rehabilitation center or a nursing home. With value-based care and bundled care options, however, more acute-care discharges are directly home — with the personnel and ancillary services that home health can provide.

An analysis by McKinsey & Company estimates that $265 billion in care services for Medicare Fee-For-Service could shift from traditional post-acute care facilities to home with no reduction in care quality or care access. That represents nearly 25% of the total cost of care and more than a three-fold increase in total revenue from home health.[4]

Hospitals have found success extending treatments into the home. During the pandemic, our client, Virtua Health, used QliqSOFT's Quincy platform to offer a variety of virtual hospital-at-home services, relieving demand on hospital beds and providing critical support to patients in the home.

Rising Patient Acuity

Even before the pandemic, the Centers for Medicare & Medicaid Services (CMS) was actively working to divert patients from nursing homes and acute care facilities to the home. As a result, home health agencies have seen a shift in payer mix, away from private insurance and more toward Medicare and Medicaid, which reimburse at significantly lower rates than private insurance pays.

Traditionally, Medicare home health users are older, sicker, frailer, and poorer than Medicare beneficiaries overall, according to the Alliance for Home Health Quality and Innovation. The 2020 Home Health Chartbook is based on 2017 federal data. More than 80% have three or more chronic conditions such as asthma, arthritis, diabetes, or heart disease, and one-quarter can't perform two or more activities of daily living (ADL).[5]

Medicaid patients and dual-eligible patients often have complex medical and social determinants of health needs. In fiscal year 2020, Medicaid spent $116 billion on Home and Community-Based Services (HBCS), serving 3 million Medicaid recipients through waiver programs and 2.5 million as part of the state plan benefit package. The latter group primarily received home health and personal care services.[6]

While expanding the universe of potential home health recipients, HBCS waivers can create staffing and care challenges for agencies.

In January 2022, the home health industry's rejection rate was 58%, significantly higher than the 42% rejection rate routinely seen prior to the pandemic. To remain viable, organizations must cut costs and drive efficiency efforts.

Staffing Shortages Are Worsening

A 2022 survey of home health operators found that 80% said staffing was their biggest non–COVID–related challenge. Nearly six in 10 said recruiting was their main concern for the foreseeable future, while 32% said staff retention was a concern.[7]

According to the Bureau of Labor Statistics (BLS), home health agencies will need to find nearly 1 million additional home health and personal care aides by 2031 — in addition to replacing those who leave. Job growth of 25% is seen over the decade, which the BLS categorizes as "much faster than average."[8]

The employee turnover rate in home health has held steady at about 65%, which creates problems for training and continuity of care, not to mention the costs associated with recruiting and hiring workers.

How Can Home Health Agencies Compete and Thrive?

Costs Are Increasing

Higher labor, benefit, and administrative costs in the wake of the pandemic are continuing, squeezing already thin operating margins.

The Partnership for Quality Home Healthcare (PQHH) commissioned a study on the effect of the pandemic on the CMS Home Health Prospective Payment System (HH PPS) market basket used to update payments for calendar years 2020 through 2022.

Administrative expenses related to administrative support, financial services, medical supplies, rubber and plastics, telephone, professional fees, and other products and services more than doubled between 2019 and 2020. The 2019 increase was 3.0%, compared to 6.2% the following year. Future administrative cost hikes are expected to remain higher than the 2019 increase.

Labor costs grew at a slightly lower rate in 2020 (3.1%), compared with the previous year, but were expected to pick up at a rate higher than historic averages. At the same time, benefit expenses tripled between 2019 and 2020. In 2021, an average increase of 28% was predicted.[9]

Administrators must address these issues to bend the administrative and labor cost curves. Consider artificial intelligence–enabled solutions being rapidly adopted by healthcare providers that:

- Reduce manual and routine administrative efforts burdening your care teams and managers

- Retain staff by improving the employee–provider experience

- Engage patients and caregivers in their care dependably

- Manage more patients with the staff that you have

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Implement Internal Operational Efficiencies With Quincy

Compensate for staffing shortages by providing automation — chatbots, secure texting and virtual visits — to reduce the administrative burden on your leadership and staff. Quincy, the healthcare chatbot from QliqSOFT, offers a seamless method to:

Improve Communications

- Eliminate phone tag and improve care coordination and communication with HIPAA-secure texting among staff, patients, and caregivers

Automate Filling Scheduling Gaps

- Fill scheduling gaps by broadcasting openings and enabling your team to easily accept shift changes

Streamline Staff Onboarding

- Automate onboarding and assessment forms, education, and consents

Supplement in Person Visits With Virtual Care

- Initiate a virtual visit to consult with peers or receive support for a specific patient need
- Conduct routine check-ins remotely to reduce driving time and costs

Send Reminders

- Improve patient and caregiver satisfaction and engagement and reduce no shows by sending reminders of upcoming appointments

Automate Verifications

- Reduce management/staff effort associated with verifying licenses, certifications, proof of auto insurance, and more

Speed Patient Onboarding

- Enable staff to document consents, insurance, emergency contacts, referrals and more, automatically uploading documentation to the home office

Provide Checklists

- Provide simple digital checklists to remind staff about key activities and documentation to be included in the visit

Measure Staff Satisfaction

- Measure staff satisfaction to identify and address issues to reduce staff attrition

Quincy Engages Digitally With Patients and Caregivers

Senior adoption of digital technologies has grown markedly, according to the Pew Research Center.[10]

Cellphone ownership is nearly ubiquitous among Americans, with 97% ownership. While ownership lags as the population ages, 83% of those ages 50–64 have a smartphone, as does 61% of those 65 and older, most family caregivers have smartphones.

The U.S. Department of Health and Human Services notes that telehealth visits among Medicare patients increased 63-fold between 2019 and 2020, exploding from under 1 million to nearly 53 million.[11] Although usage isn't still that high, the new normal is considerably higher now than before the pandemic.

Quincy, the healthcare chatbot from QliqSOFT, offers a seamless method to:

- ☆ Track patient and caregiver satisfaction
- 📱 Expedite patient onboarding with self-service options
- 💬 Educate patients and caregivers on their conditions, as needed

- 🛏 Monitor patients remotely with a combination of automated digital chatbot check-ins, secure messaging, and telehealth
- 💬 Communicate with caregivers, replacing voice messages with text, phone, or virtual visits
- 📖 Help staff and caregivers avoid unscheduled home visits and/or hospitalizations

Make the Digital Transformation

Aging in place relieves the financial pressure of institutionalized care. Not only does remaining in the home significantly reduce administration cost and staff burden, but it also presents an affordable opportunity to better serve this population with high-quality care. Armed with QliqSOFT's chatbots and other virtual care services, home healthcare agencies, with support from payers and the government can build and strengthen long-lasting relationships with their patients who are able to retain as much independence and convenience as possible. To learn more about how QliqSOFT's digital innovation solutions, call (866) 295-0451 or email us at sales@qliqsoft.com.

About the Author

Krishna Kurapati is the Founder and CEO of QliqSOFT. He has more than two decades of technology entrepreneurship experience. Kurapati started QliqSOFT with the strong desire to solve clinical collaboration and workflow challenges using artificial intelligence (AI)-powered digital technologies across the U.S. healthcare system.

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