

Guide to Health Care: Home care business a growth opportunity, despite challenges



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[Enlarge](#)

Debbie Savage, president of Responsive Home Care, visits with clients Richard and Ruthie Gottlieb and their caregiver, Yolanda Camacho.

JOCK FISTICK/SOUTH FLORIDA BUSINESS JOURNAL

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The increase in South Florida's elderly population means home health care businesses have ample opportunity for growth, but there are several challenges that could hold them back.

Labor is in short supply, home health industry executives say, and low government reimbursement rates for their services make it tough to offer competitive salaries and benefits.

According to the U.S. [Bureau of Labor Statistics](#), home health and personal care aide jobs are projected to increase 41% nationwide from 2016 to 2026. The average growth rate for all occupations is 7%. In Florida, the median annual wage of a home health aide in 2018 was \$24,280, or \$11.67 an hour.

It's hard to find housing in South Florida on that money.

Fortunately, many health care policymakers have recognized that caring for seniors in their homes can prevent medical crises that lead to costly hospital care. These jobs will play an important role in keeping seniors out of the hospital, said [Ana Garcia-Grau](#), administrator of Doral-based Home Care Plus, a joint venture of [Miami Jewish Health Systems](#) and Mount Sinai Medical Center.

Home Care Plus, which serves about 400 patients, has been referred many patients from Miami Jewish Health and Mount Sinai, and it's been successful in reducing their rates of acute care readmissions, Garcia-Grau said. Medicare has created financial incentives for hospitals to reduce patient readmissions. Caregivers make sure the patients are taking their medications and can handle their daily tasks, she added.

The senior population in South Florida is growing rapidly, and many people will need at-home care, said [Keith A. Myers](#), president and CEO of West Palm Beach-based [MorseLife Health System](#), a nonprofit that runs nursing homes, independent living facilities and two home care agencies. It has 1,625 employees providing skilled home care and working in Medicare's Programs of All-inclusive Care for the Elderly. Many of the people in PACE would be hospitalized without the regular visits for therapy and rehabilitation, he said.

"I see the momentum continuing and people requiring services to be brought into their homes so they can maintain their quality of life," Myers said.

[Jennifer Sheets](#), CEO of Sunrise-based home health franchise Interim HealthCare and its parent company, Caring Brands International, said surveys show most seniors prefer home care to being housed in assisted living. Her company has 325 franchised offices in 44 states, including Florida, and she sees plenty of opportunity to establish new franchises.

Interim HealthCare has partnered with Meals on Wheels in many markets to learn about seniors who may need help with their basic needs. Sheets plans more partnerships with hospital systems.

Staffing struggles

The challenge is the need for home care services is surpassing the supply of employees, said [Teresa D. Duvall](#), CEO of Davie-based Jewish Family Home Care, which has 550 employees serving Broward County. Nurses and personal care aides are particularly hard to find.

“Caring for a senior population is an art, and you have to have compassion,” Duvall said. “They aren’t high-paying jobs. It is still the case that many immigrants do these jobs.”

Many of Responsive Home Care’s caregivers are in their 60s, and it’s a struggle to recruit millennials, said [Debbie Savage](#), CEO of the Fort Lauderdale-based company, which provides home care for private-pay and long-term-care clients.

“I’m 56 and there weren’t that many old people when I grew up,” Savage said. “Now we have more older people than we have young people. It’s an inverted pyramid.”

The reimbursement rate from federal programs for long-term home care starts at \$13.50 an hour, Garcia-Grau said. It might approach \$16 or \$17 an hour in some cases. Private health plans and out-of-pocket pay is around the same. There’s so much competition in the industry in South Florida, an agency would lose business if it charged more, she said.

“The low mark makes it really difficult for the agencies to function and pay a good wage to the aids,” Garcia-Grau said.

Not only are home health agencies competing with each other for employees, they are competing with fast food jobs and Walmart, which pay comparable wages, Sheets said. While home health aides can have more flexible scheduling, the jobs are physically demanding, which leads to high turnover, Sheets said. A major point of emphasis with her franchise owners is employee retention.

Duvall said many home health agencies limit employees to part-time hours so they don’t qualify for health insurance, which is too expensive for them to offer. Savage said she reduced employee turnover by offering health and life insurance.

MorseLife relies on its foundation to fund care for low-income patients, and to keep its wages and benefits strong, Myers said.

“The home health agencies are the eyes and ears for the patients. They are the front line,” Sheets said. “The ability to really invest in that area and help those people build relationships with patients and have consistency could really make the difference.”