

Learn about trends in the Home Health Care Services Business and where to find more info about how to open your own Home Health Care Services Business. Don't forget you can receive free or low-cost training and **free professional business advice**, from [your local Small Business Development Center!](#)

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Home Health Care Services Overview & Trends, 2018

NAICS Code: 621610, SIC Code: 8082

This [Home Health Care Services industry summary is from First Research](#) which also sells a full version of this report.

Companies in this industry provide a range of skilled nursing and other health care services, as well as personal care services, to patients in their homes. Major companies include AMEDISYS, Apria Healthcare Group, Kindred at Home (part of Kindred Healthcare), and Lincare Holdings (all based in the US), along with Allied Healthcare (UK), LVL Médical Groupe (France), and Saint Elizabeth Health Care (Canada). Expenditures on home health services vary significantly from country to country, according to the World Health Organization (WHO). Most European countries spend between 1% and 5% of their health care budget on home health care services. (In the US, home health care accounts for 3% of health care expenditures, according to the Kaiser Family Foundation.) Funding sources include private pay, taxation (in those countries with nationalized health care systems), compulsory or voluntary insurance, and charitable contributions or funding from nongovernmental organizations. The US home health care industry includes about 31,000 establishments (single-location companies and branches of multi-location companies) with combined annual revenue of about \$78 billion.

COMPETITIVE LANDSCAPE

Health reform efforts are driving down reimbursement for medical services, including home health care, and payments are increasingly based on whether providers meet quality standards. At the same time, care is being pushed into lower-cost settings, giving home health agencies an advantage as they provide an alternative to costly nursing home and hospital care.

The National Association for [Home Care](#) & Hospice Home Care reports on the outlook:

Home care and hospice are poised to play a key role in coming years. A wide range of forces

is joining to push care away from nursing homes and drive it toward home and community-based care. Based on demography and dollars, experts agree that the destiny of health care lies in the home. The first of the 78 million baby boomers turned 65 last year, and the rest of the boomers will reach their golden years in the next two decades, making health care dollars grow even scarcer. As the silver tsunami sweeps on, the most important trend in health care is the shift from hospitals and nursing homes to home care, from treatment to proactive monitoring and care.

Home Health Care Services Business Demand and Markets

IBISWorld reports on the demand and market segments for the [Home Care Providers in the US](#). The full version of the report is available for purchase.

- Traditionally, the home care industry market concentration is low and highly fragmented, due to the low barriers of entry. However, recently, companies have begun to consolidate in order to gain more political influence. Despite consolidation, the number of home care companies is expected to increase 4.8% per year. These companies are becoming more and more specialized, which IBIS predicts will result in an increase in employee wages.
- Industry demand is dependent on the health of consumers and financial appeal compared to inpatient substitutes. Economic and medical advancements have allowed baby boomers to live longer and wealthier lives. The resulting aging demographic trends are favorable for the industry, as older people generally have more health problems and have more disposable income than previous generations. Public and private health insurance also affects ability to pay healthcare for services, so having insurance or higher income levels will increase demand for home healthcare services. Furthermore, the relative affordability of home healthcare is, on average, at least half the cost of inpatient care.
- Industry revenue is segmented by type of health insurance and whether the customer is paying out of pocket. IBIS reports that approximately 75.6% of the \$92.5 billion home healthcare industry are reimbursements from Medicare and Medicaid. The remainder of total payments are made by private health insurance (10.6%), out of pocket payments (9.8), and other forms of payment (4%).

Further information on home health care services can be found in a variety of topical and trade publications, including:

- [Home health care statistics](#)

- [Home health care and technology](#)
- [Home care trends](#)
- [Home health issues and trends](#)
- [Profile of older Americans](#)
- [Telehealth](#)

Home Health Care Services Business Startup Costs

[Home Care Business Startup Costs](#) from Entrepreneur Magazine:

- Total Startup costs: \$2,000 - \$10,000
- Franchises available? Yes

[Senior Home Care Agency Business Startup Costs](#) from Entrepreneur Magazine:

- Total Startup costs: \$2,000 - \$10,000
- Franchises available? Yes

[Home Health Care Startup Costs](#) from Chron

- Startup costs: \$15,000 - \$20,000

Home Health Care Services Business Plans

- [Home Health Care Services Business Plan](#)
- [Home Healthcare Agency Business Plan](#)
- [Home Healthcare Services Business Plan](#)
- [Non-Medical Home Care Business Plan](#)

Home Health Care Services Business Associations

Trade associations often are excellent sources of information on an industry. Here are some relevant industry associations:

- [National Association for Home Care & Hospice](#)
- [Home Care Association of America](#)
- [American Association for Homecare](#)
- [Alliance for Home Health Quality and Innovation](#)

- [National Association of Health Care Assistants](#)
- [Aging Life Care Association](#)
- [American Society on Aging](#)
- [American Geriatrics Society](#)
- [The Gerontological Society of America](#)
- [American Association of Retired Persons](#)

Home Health Care Services Business Publications

- [Private Duty Insider](#)
- [Home Care Magazine](#)
- [Home Health Care Management & Practice](#)
- [Home Health Care News](#)
- [Home Care Daily](#)
- [Eli's Home Care Week](#)
- [Modern Health Care](#)
- [Remington Report](#)

Home Health Care Services Business Employment Trends

Labor costs are important factors for home health aides. Here is a [Home Health Aides and Personal Care Aides Business labor market summary from the Bureau of Labor Statistics](#).

Overall employment of home health aides and personal care aides is projected to grow 41 percent from 2016 to 2026, much faster than the average for all occupations. As the baby-boom generation ages and the elderly population grows, the demand for the services of home health aides and personal care aides will continue to increase.

Elderly clients and people with disabilities are increasingly relying on home care as an alternative to nursing homes or hospitals. Families may prefer to keep aging family members in their homes rather than in nursing homes or hospitals. Clients who need help with everyday tasks and household chores, rather than medical care, may be able to reduce their medical expenses by staying in or returning to their homes.

Quick Facts: Home Health Aides and Personal Care Aides	
2017 Median Pay	\$23,130 per year, \$11.12 per hour
Typical Entry-Level Education	High school diploma or equivalent
Work Experience in a Related Occupation	None
On-the-job Training	Short-term on-the-job training
Number of Jobs, 2016	2,927,600
Job Outlook, 2016-26	41% (Much faster than average)
Employment Change, 2016-26	1,208,800

Bureau of Labor Statistics Quick Facts: Home Health Aides

Click on links for

more

specific breakdown of wages at [healthcare support occupations](#) (throughout 31-0000) and [management occupations](#) (see 11-9111) in the US.

Sources

For the full text of any content in this Small Business Market Research Report from SBDCNet, the link has been provided for the report publisher, while a database article can be obtained from the local public or academic library or purchased from a [document delivery service](#) for a nominal fee.

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