



Revenue Diversification

Opportunities for Home Care Cooperatives

Agenda

1

Industry Context

2

Framework

3

Top Opportunities

4

Referral Partnerships

5

Care Management

6

Specialized Care

7

Home Health

8

Other Opportunities

Consolidation

Strong M&A activity

Expansion across the continuum of care

VC backed Platforms

\$ in VC backed homecare

No Uberizing homecare

Policy Changes

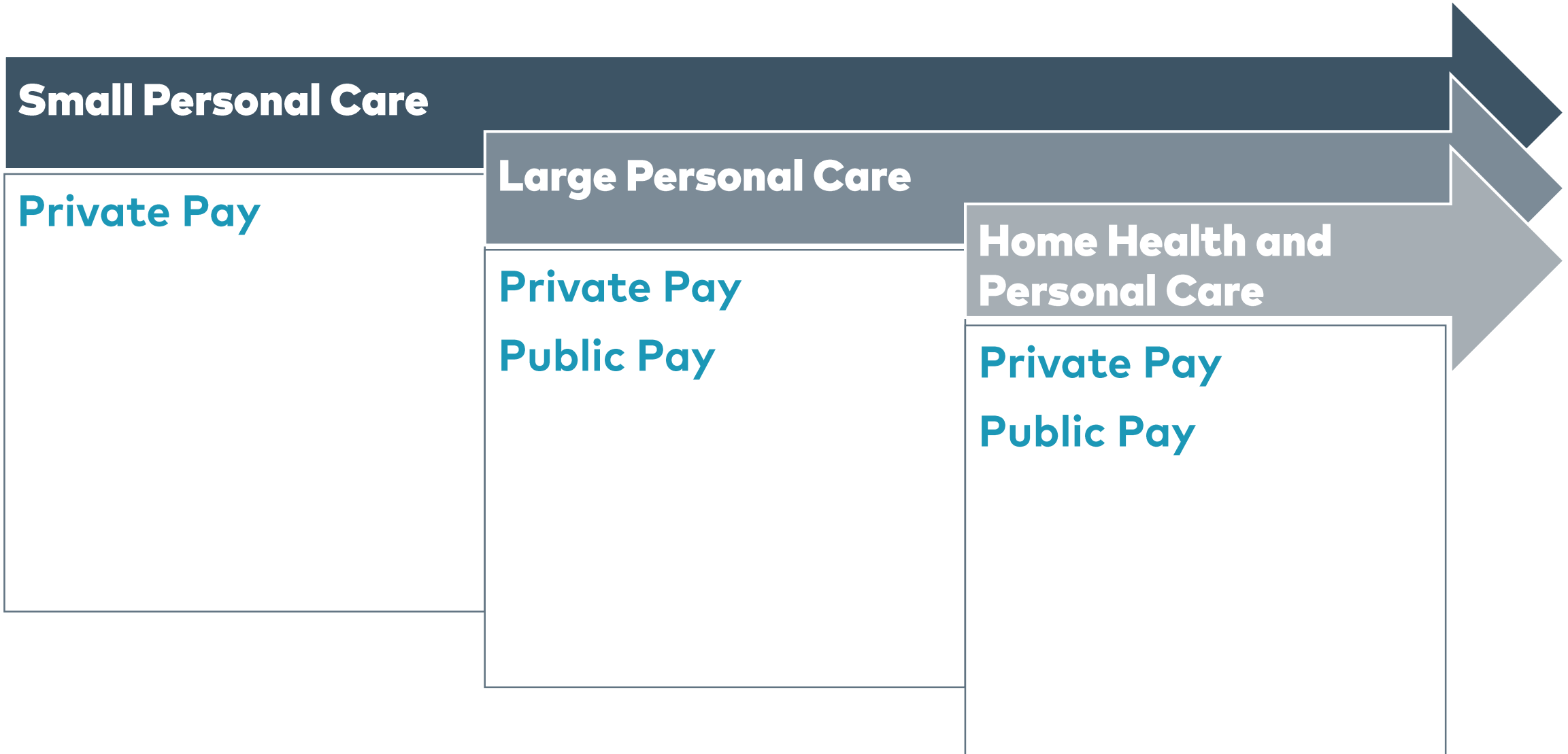
Medicare Advantage

State based initiatives

Takeaways

- Incentives support growth and consolidation
- Policy risk in staying in one sector

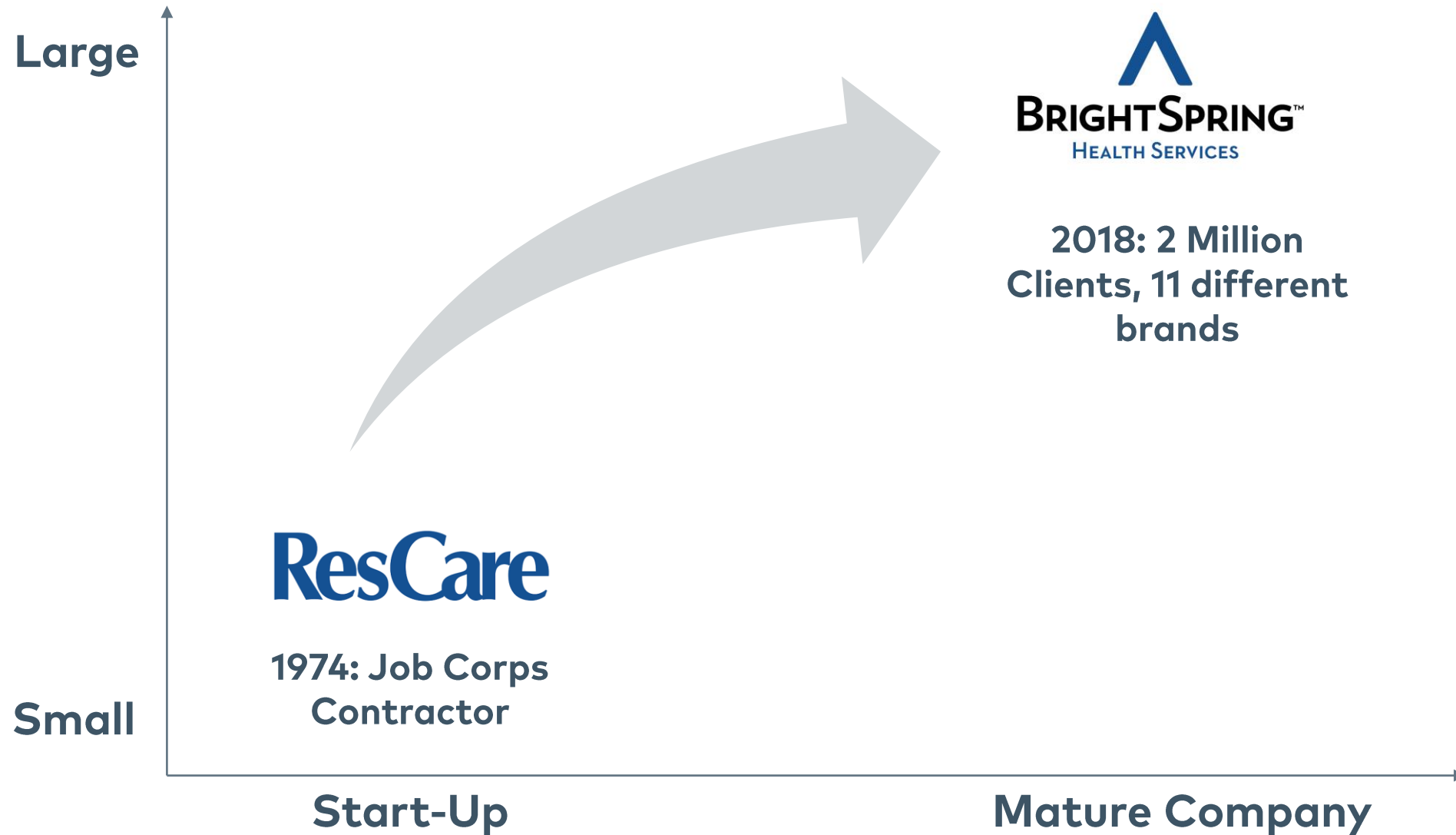
Home Care Coop Lifecycle



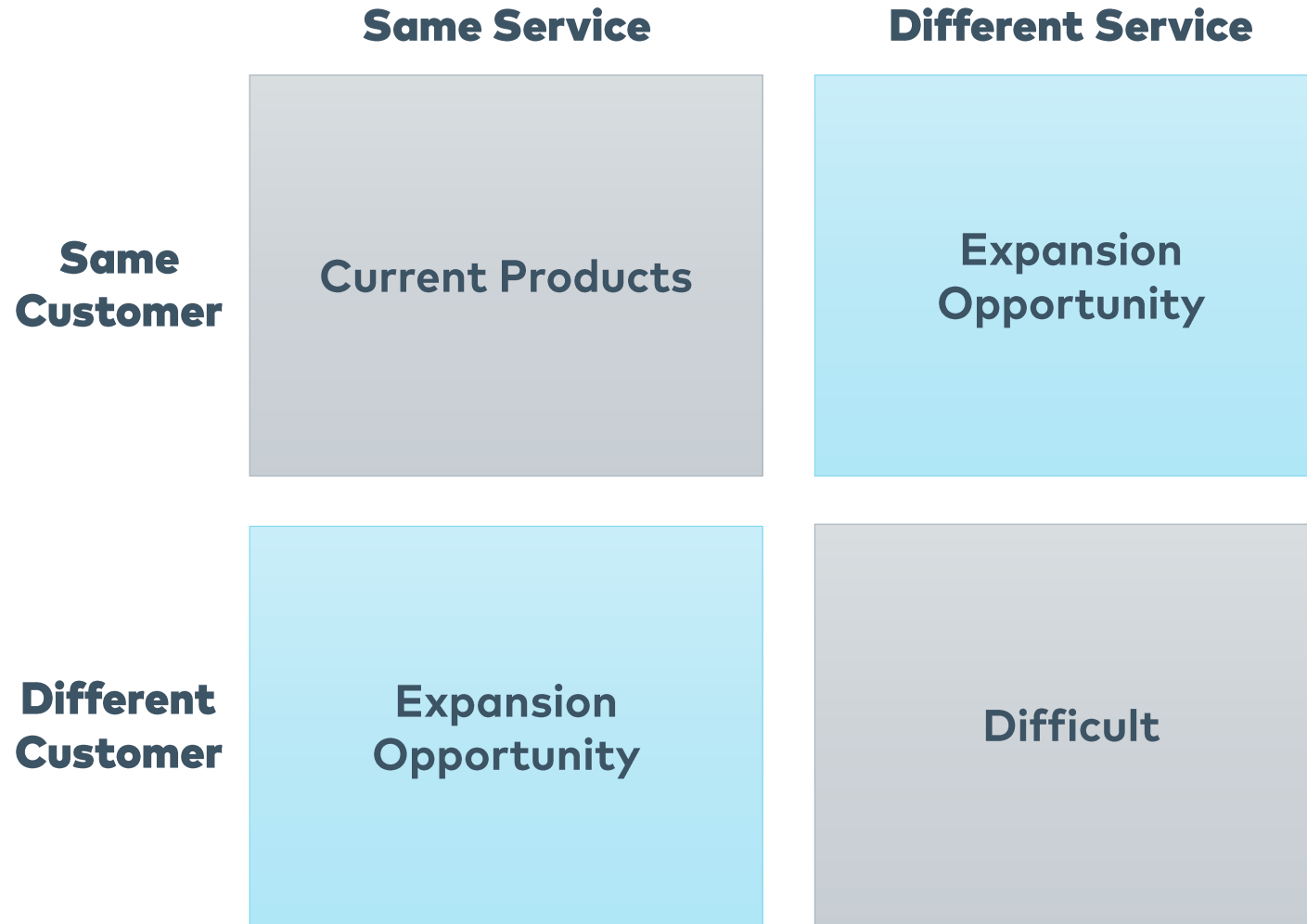
When to Diversify?



Home Care Diversification Example



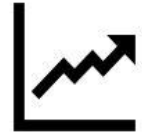
Revenue Diversification: A Framework



Primary Options

	Same Service	Different Service
Same Customer	Non-Medical Personal Care	Specialized Care Care Coordination Home Health
Different Customer	Referral Partnerships	Home Health

Framing Questions



Demand

- Is there a significant need for this service?



Payers

- Do clients or institutions have the ability and willingness to pay for the service?



Capabilities

- Does the cooperative have the expertise, operational ability and staff capacity to launch this service?



Financial Feasibility

- Is this a financially feasible strategy for the cooperative?



Referral Partnerships

**Opportunities for
Expanding Personal Care
Services to New Client
Pools**

WHY REFERRAL PARTNERSHIPS?

Top 3 Reasons Why Consumers Choose a Home Care Provider

1

Recommended by Family & Friends (Client Referrals)

2

Reputation of Company

3

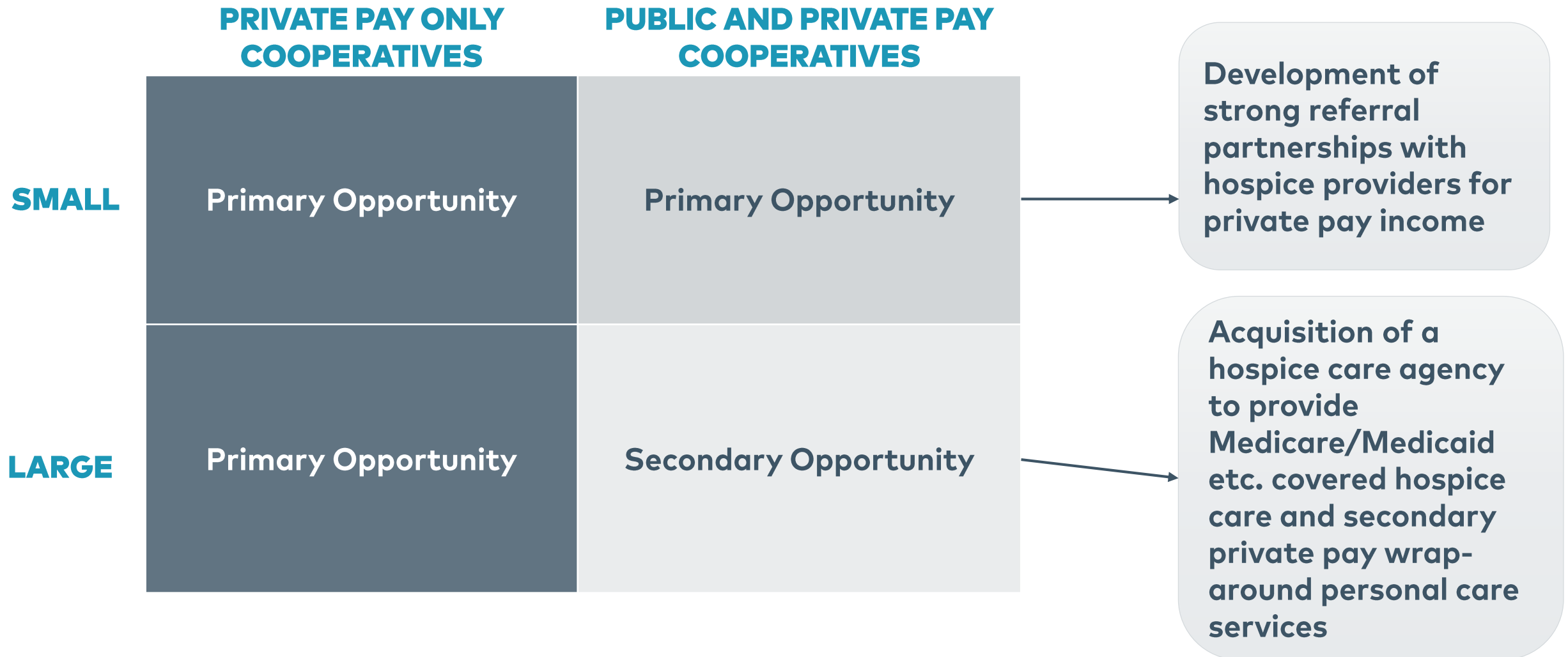
Partner Referrals

- SNFs, ALFs, & Hospice

Example: HOSPICE



HOSPICE OPPORTUNITY



Key Determinants of Success

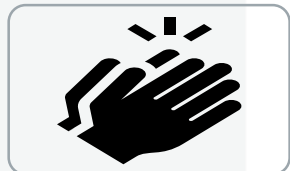
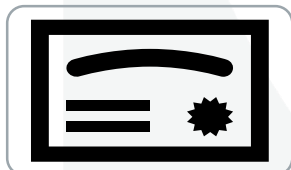
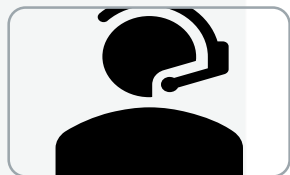
External

- Hospice care agencies in service area
- Strong partnership development capacity



Internal

- Staff capacity to respond to referrals
- Hospice experience among caregivers
- Support systems for caregivers experiencing grief



Other Referral Opportunities: Assisted Living

Large and Growing Market

- 30,200 Assisted Living Communities
- Over 835,000 seniors

Payers

- Primary Opportunity in private pay
- Asset spend down may lead to public pay

Under-utilized Partner

- 8.8% of private duty home care agencies rate Assisted Living Facilities as their top-two referral partner

Same Service Different Customer

- No additional training or licensing required

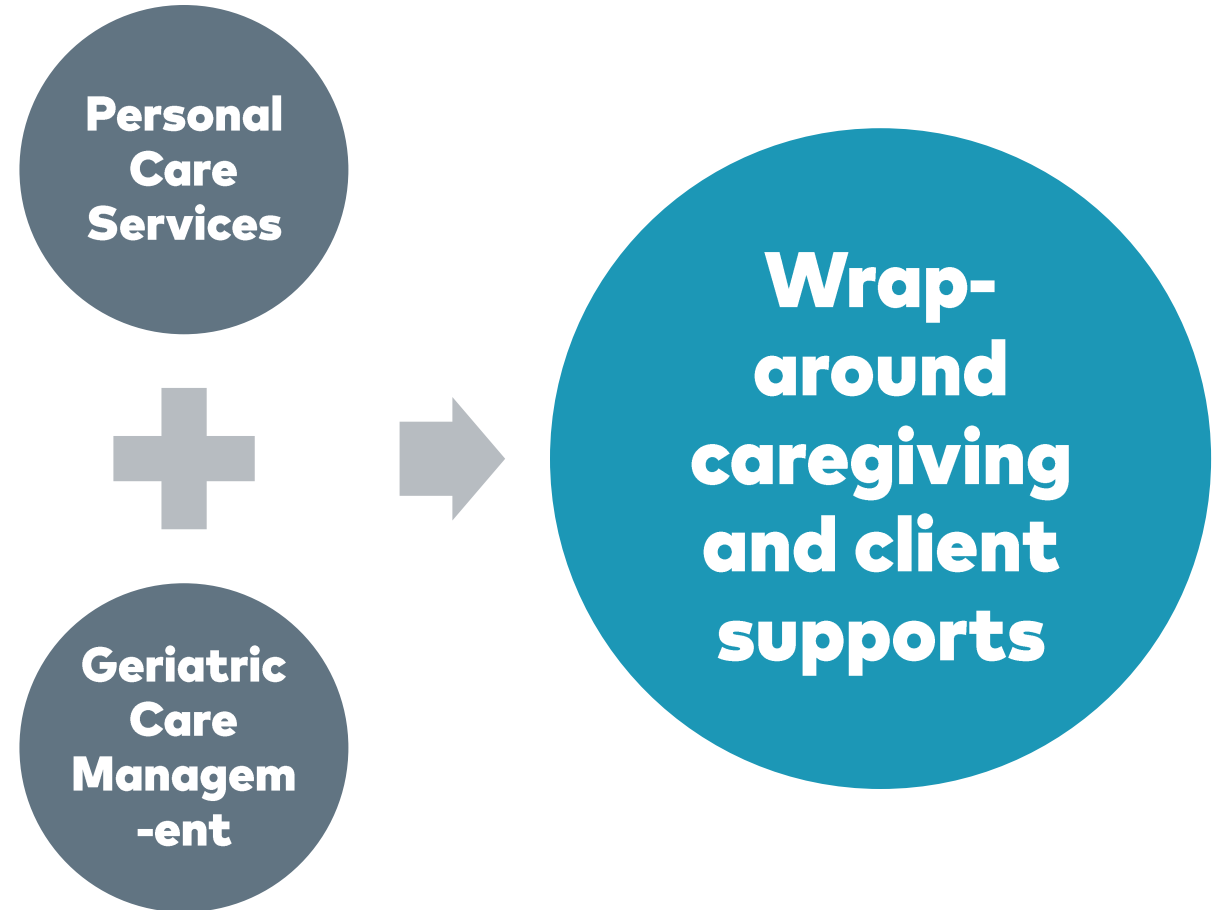


Case Management

Opportunities for Expanding Services to Current Clients

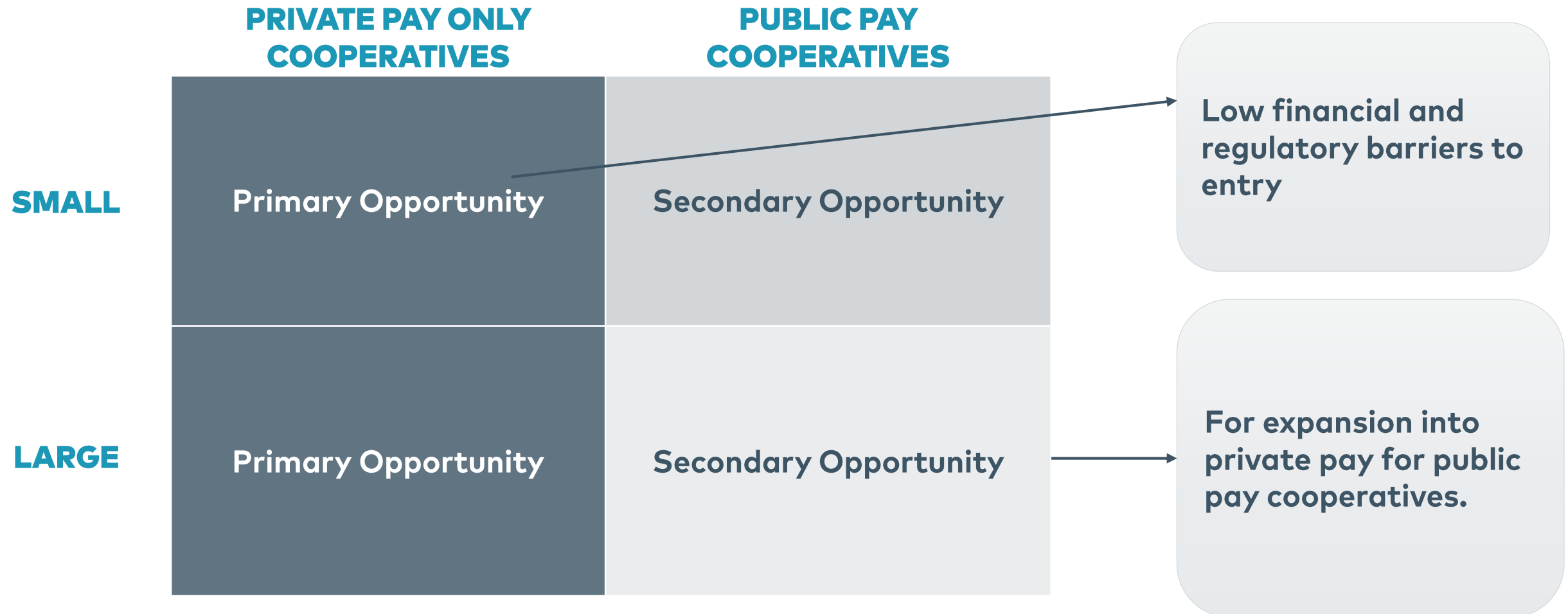
Geriatric Care Managers:

1. Assess client needs
2. Develop & coordinate care plans
3. Monitor and evaluate care quality and client outcomes
4. Advocate for services and supports for clients
5. Geographic barriers for family caregivers





CASE MANAGEMENT OPPORTUNITY





Sales and Marketing

- Speed of client acquisition
- Sufficient demand
- Marketing and outreach plan



Hiring

- Hiring a qualified Geriatric Care Manager
- Upfront hiring expenses
- Pay & benefits expectations of qualified GCMS



Specialized Care

Opportunities for Expanding Services to Current Clients

Types of Specialized care

1

Chronic Disease

2

Pediatric

3

Autism

4

Dementia Care



Demand

- 33% of all home care clients and growing



Payers

- Private pay opportunity



Capabilities

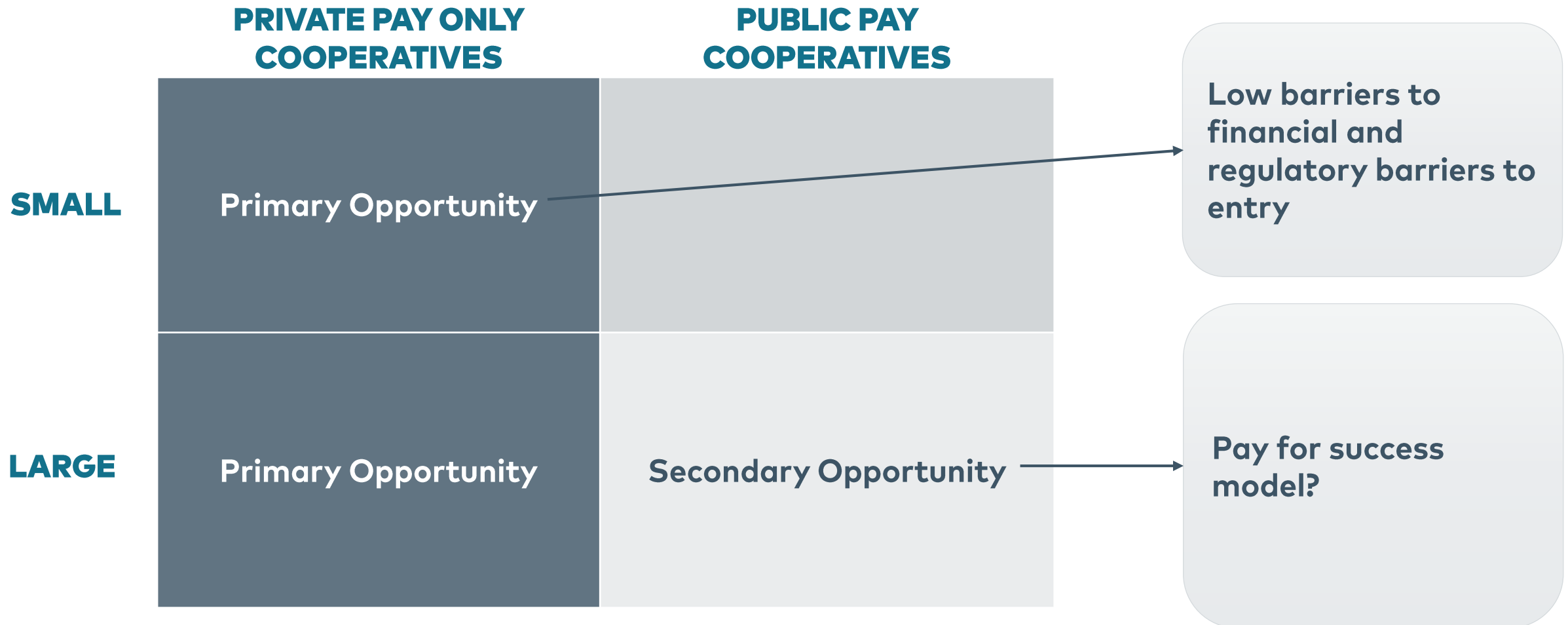
- Already serving many of these clients
- Additional specialized training

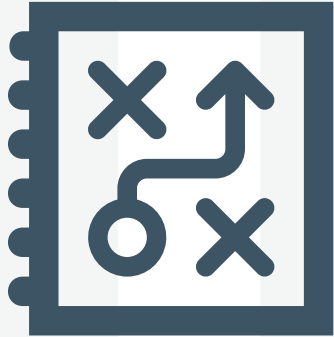


Financial Feasibility

- Low cost / no barriers to entry
- Private pay revenue growth opportunity

Dementia Care Opportunity





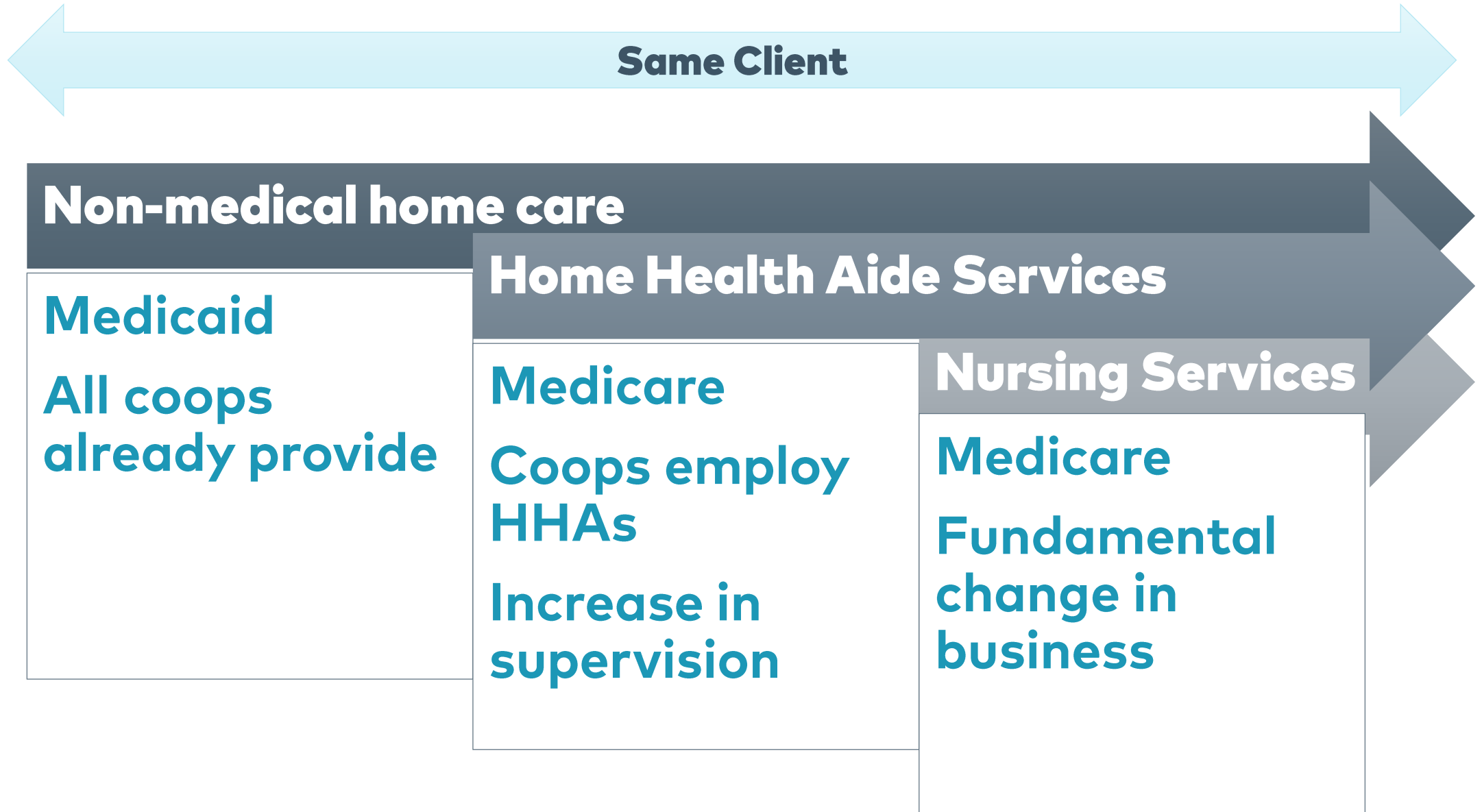
Execution

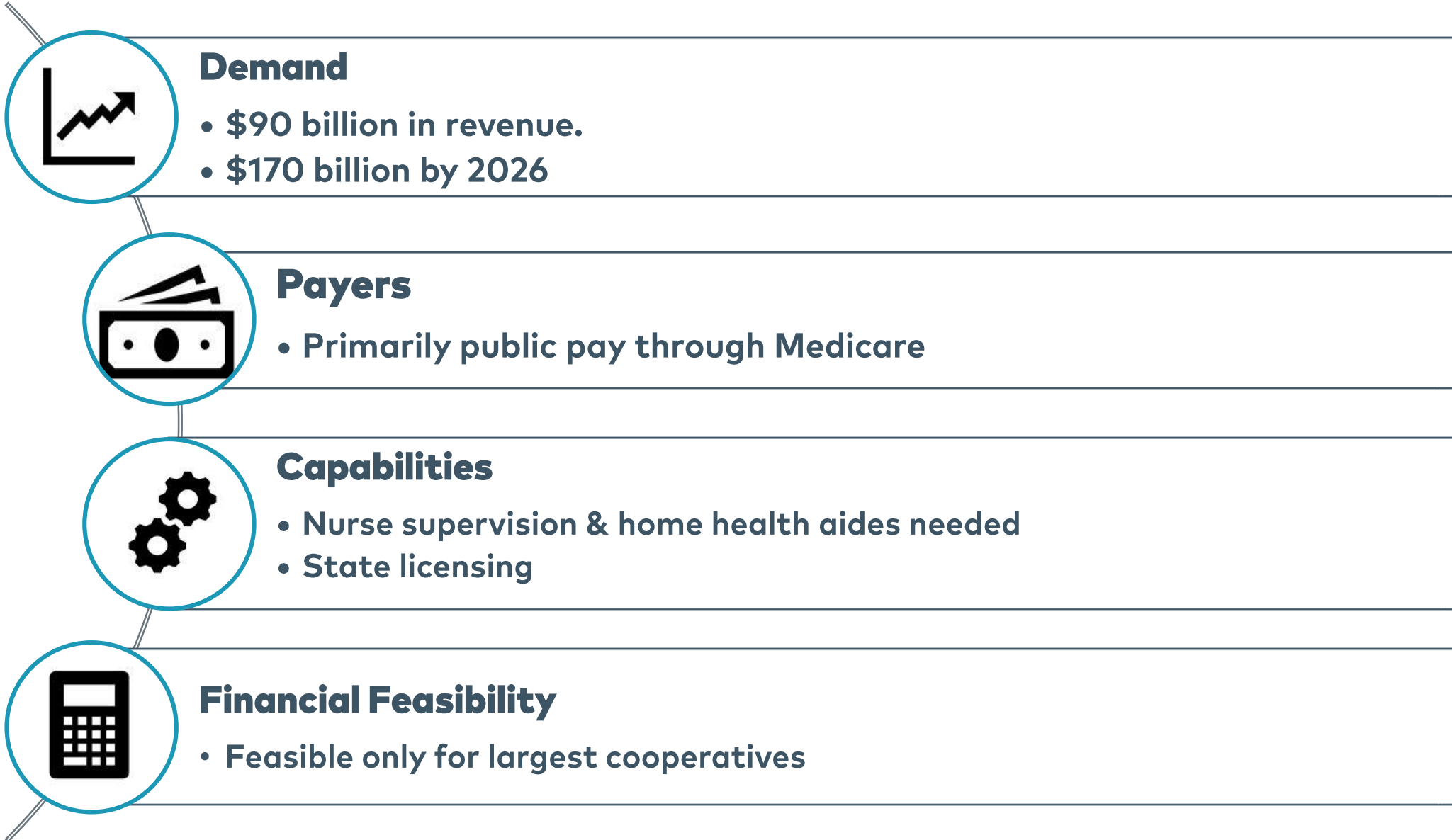
- High quality training
- Ongoing supports

Market Differentiation

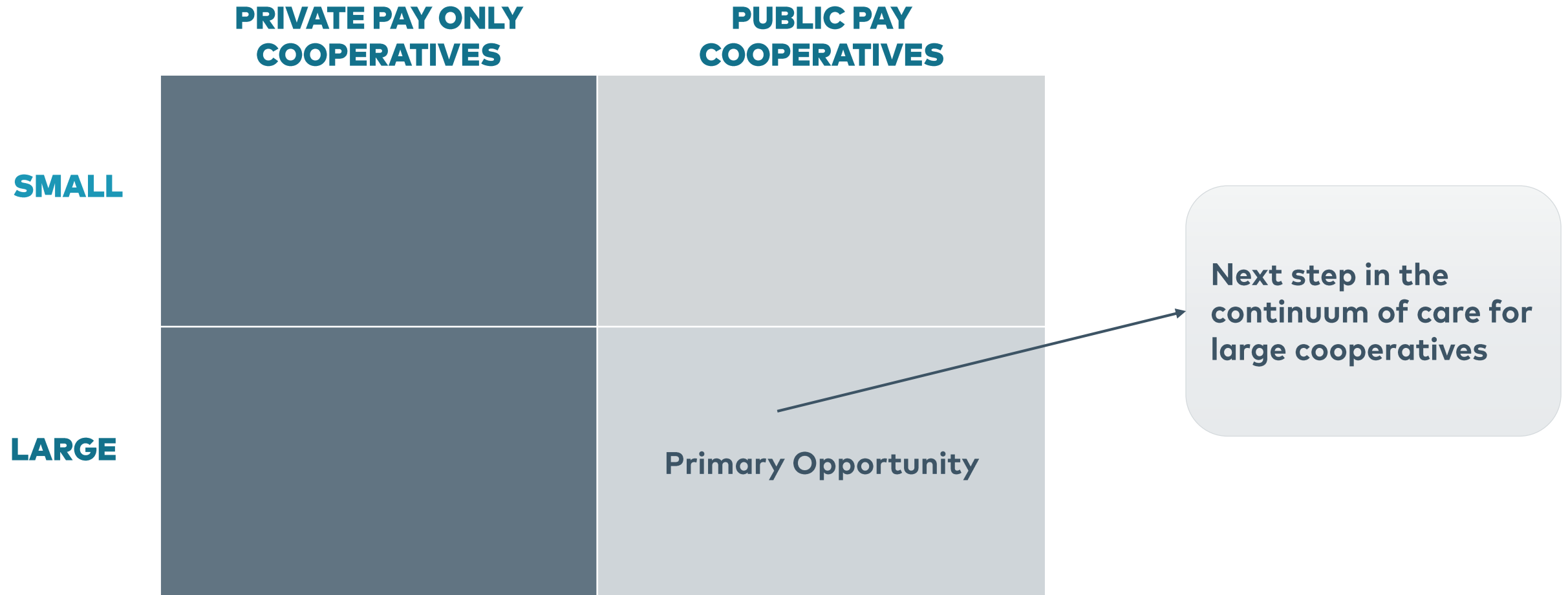
- How are you better than the competition? How are you communicating that to potential clients?







Home Health Opportunity



Shifting to Public Pay

- Licensing challenges
- Other regulatory requirements

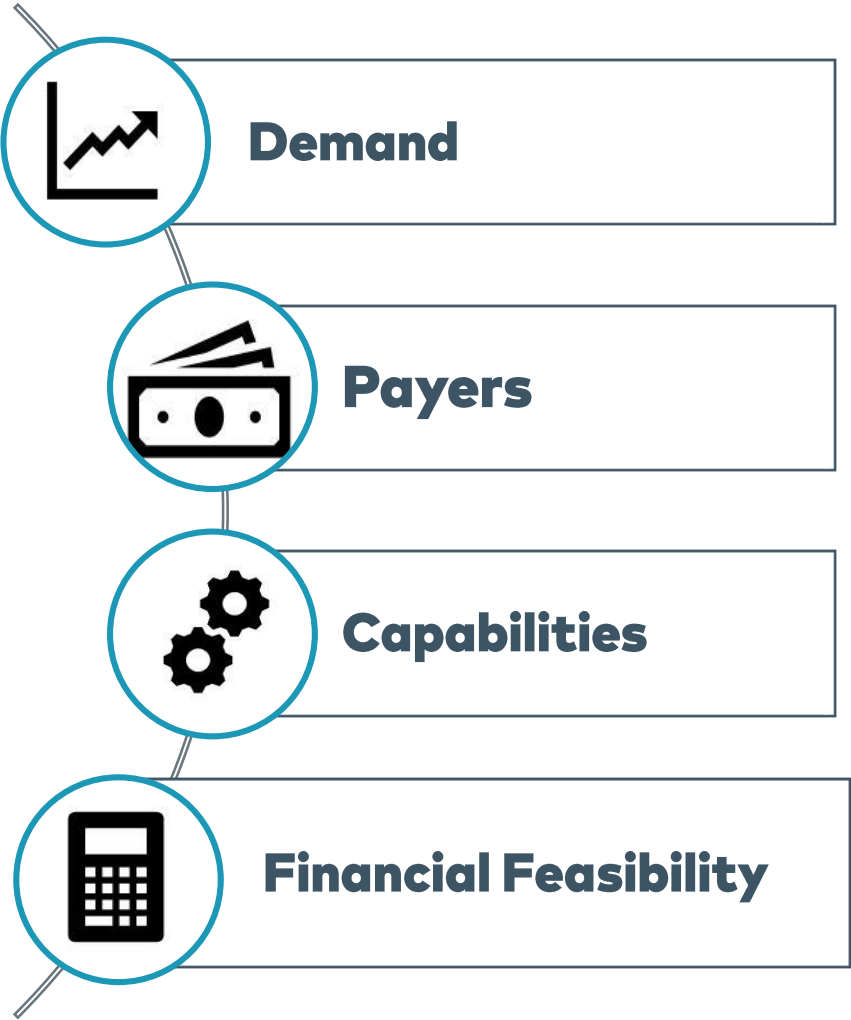
Policy Risk

- Patient-Driven Groupings Model (PDGM)

Client Acquisition

- Capital cushion
- New clients

Recap & Takeaways



	Same Service	Different Service
Same Customer	Non-Medical Personal Care	Specialized Care Care Coordination Home Health
Different Customer	Referral Partnerships	Home Health



ICA GROUP
HOME CARE

Thank You

For more information contact:

Nic Miragliuolo

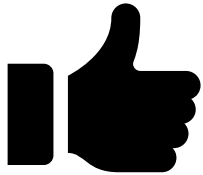
Social Enterprise Consultant

The ICA Group

nmiragliuolo@icagroup.org

www.icagroup.org

Appendices



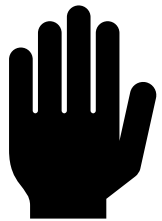
Feasible for the Right Cooperative

- Respite Care
- Dual Eligibles



Feasible but Small opportunity

- Home services—Home Modifications and Domestic Work
- Community Health Worker (at this time)



Too Complex or Too Much Capital Needed

- Financial Management Services (FMS)
- TeleMedicine/TeleHealth
- Durable Medical Equipment (DME)



Undetermined

- Opioid Recovery Support
- Home Dialysis

HOSPICE: A LOOK AT THE NUMBERS

New Revenue from Hospice Referrals	
New Weekly Revenue	\$500
New Monthly Revenue	\$2,167
Gross Margin	\$867
- Client Acquisition Cost	\$(540)
First Month Contribution	\$327
Yearly Contribution*	\$3,920

* Assuming average client tenure is 30 days

CASE MANAGEMENT: A LOOK AT THE NUMBERS

Estimated Break-even	
Ongoing Clients Needed	10
Clients Needed with Turnover	14
Monthly Billable Hours	84
Weekly Billable Hours	19

Assumptions:

- *Rate = \$100/hr*
- *Weekly billable hours per client = 2*
- *GCM Salary = \$60K + 30% payroll and benefits*
- *Additional marketing and administrative expenses*

Dementia Care: A LOOK AT THE NUMBERS

Estimated Break-even	
Ongoing Clients Needed	1-4
Monthly Billable Hours	176
Weekly Billable Hours	40

Assumptions:

- *Margin = \$8.05*
- *Training = \$2,500 for licenses, \$4k-\$12k in training time expense*
- *Additional marketing expense = \$1,200-\$2,500*

HOME HEALTH: A LOOK AT THE NUMBERS

Estimated Break-even	
Ongoing Clients Needed	9-18
Monthly Billable Hours	792
Weekly Billable Hours	183
Upfront Capital Needed	\$45,000

Assumptions:

- *Margin = \$10.75*
- *Full time Supervision = \$70,000 + 30% benefits and fringe*
- *Yearly Compliance costs = \$4,300*
- *HHA hiring expenses = \$3,600*
- *Licensing = \$2,500*