GROWTH AND FRAGMENTATION IN THE LONG-TERM CARE INDUSTRY

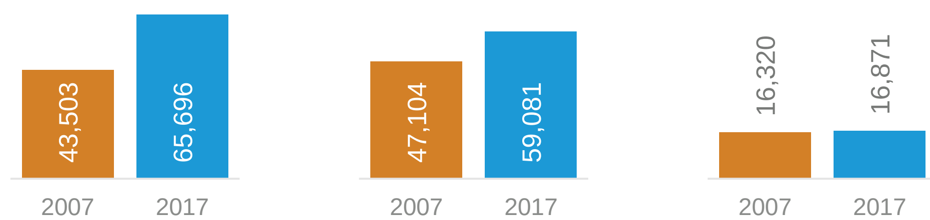
From 2007 to 2017, the long-term care industry added 34,700 new establishments, including 22,200 in home care—and industry growth is only part of the story. This fact sheet presents notable changes in the long-term care landscape over the past decade, as well as their implications for the direct care workforce.

3 Key Characteristics of the Long-Term Care Landscape

HOME CARE | RESIDENTIAL CARE | NURSING HOMES

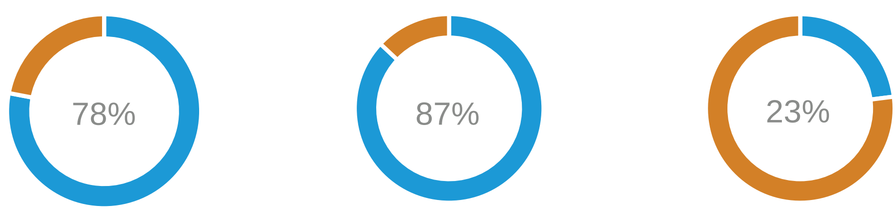
From 2007 to 2017, home care added the most new establishments.

Home care added 22,200 new establishments, versus 12,000 in residential care and just 600 in nursing homes.



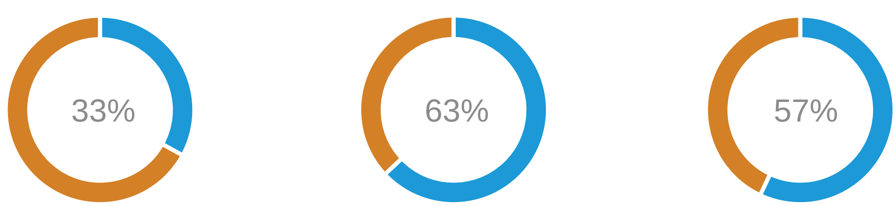
Home care and residential care establishments typically employ fewer than 50 workers.

By comparison, only one-quarter of nursing homes employ fewer than 50 employees.



Chain ownership is more common in residential care and nursing homes than in home care.

In contrast, just one in three home care establishments is part of a business with more than one location.



WE CAN DO BETTER: INDUSTRY REFORMS TO STRENGTHEN DIRECT CARE JOBS

Home care establishments are increasing in number and, as compared to nursing homes, they employ fewer workers and are less likely to be part of corporate chains. Altogether, the data demonstrate that the home care industry—the largest and fastest growing segment of the long-term care system—is also particularly fragmented and decentralized.

In addition, the home care sector is less likely to be licensed by states than nursing homes. There are also notable gaps in residential care licensure regulations. Therefore, states have limited options for standardizing workforce regulations across payers and industries.

In order to meet new demand for services, policymakers must align regulations across long-term care industries to support the direct care workforce. **Here are two immediate opportunities to revamp the long-term care system.**

METHODOLOGICAL NOTES

Throughout this publication, the term "establishment" refers to individual business units that may be sole proprietorships, franchise members, or branches of a multiunit chain. Industry data were sourced from the U.S. Census Bureau's *Economic Census*. To produce trends in the number of long-term care establishments, we relied on 2007 and 2017 datasets, the most recent data years available. We used data from the 2012 *Economic Census* to analyze long-term care establishment employment size and chain ownership.

1. License All Long-Term Care Providers

A good start toward standardizing workforce policy across long-term industries would be to license home care agencies and fill in licensing gaps in residential care. Enacting workforce policy through licensure regulations can create consistency across all provider types, regardless of their services, settings, or payment streams. This approach is not only a consumer protection, but a critical lever for improving job quality.

2. Align Workforce Regulations

States should better align workforce regulations to create more coherent regulations across payers. For example, establishing portable, stackable training requirements through licensure requirements allows direct care workers to work across settings without repeating their training.

This fact sheet highlights key findings from *We Can Do Better: How Our Broken Long-Term Care System Undermines Care*. Released in April 2020, the report provides an overview of long-term care financing, the industry landscape, and the various stakeholders who shape direct care job quality. The report is the second installment in a year-long series of reports that examines the importance and impact of the direct care workforce. The final, comprehensive report—*Caring for the Future*—will be released in January 2021. This report series was made possible through generous support from the W. K. Kellogg Foundation and the Woodcock Foundation. Read *We Can Do Better* at PHInational.org/CaringForTheFuture.