

Abbreviated: Evaluating Long-Term Home Healthcare as a Solution to Accommodate the Healthcare Needs of an Aging Population

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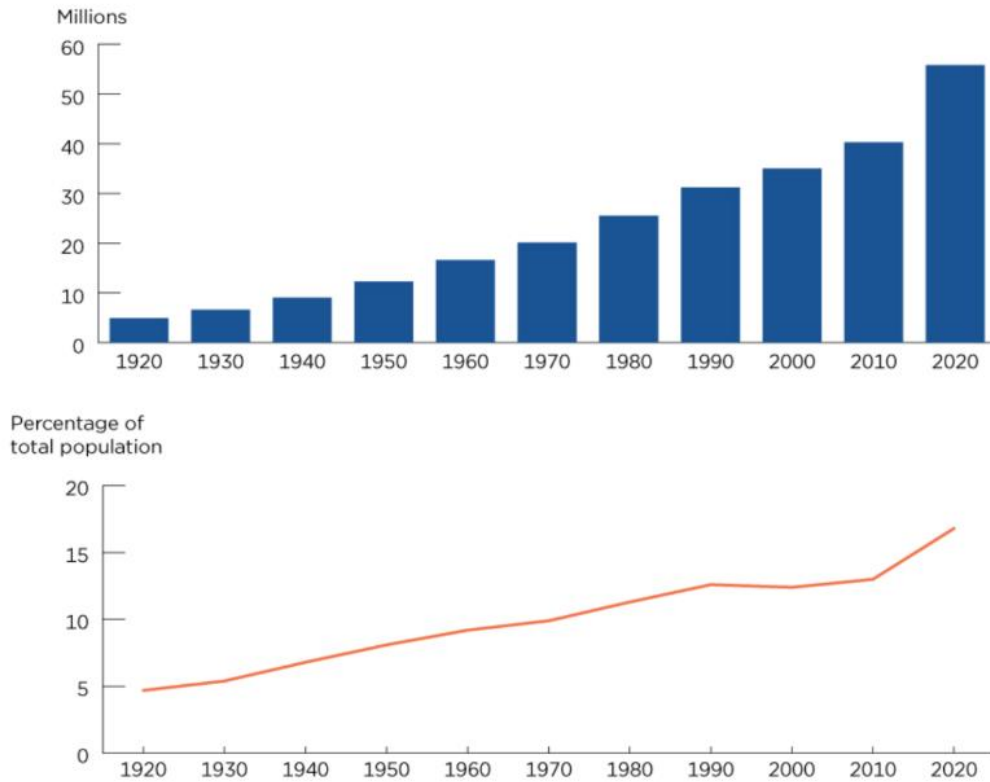
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As the Baby Boomer generation reaches and surpasses retirement age, the United States must adapt to a growing aging population. While adults over age 65 represented just 4.7% of the population in 1920, they now account for nearly 18%.^{1,2} Growth will continue to accelerate in the upcoming decades, with the number of older individuals expected to double from 35 million in 2000 to 71 million in 2030.³ By 2050, adults over 65 will make up nearly a quarter of the United States population.⁴ Because much of the current growth is concentrated in the 65-74-year-old age category, the population above 75 is projected to rise rapidly in upcoming years.¹ As such, there will be consistent and greater demand for healthcare and long-term care services.

Figure 1: Size and Percentage of Population 65 and Older in the United States from 1920-2020¹

**Population 65 Years and Over by Size and Percentage of Total Population:
1920 to 2020**

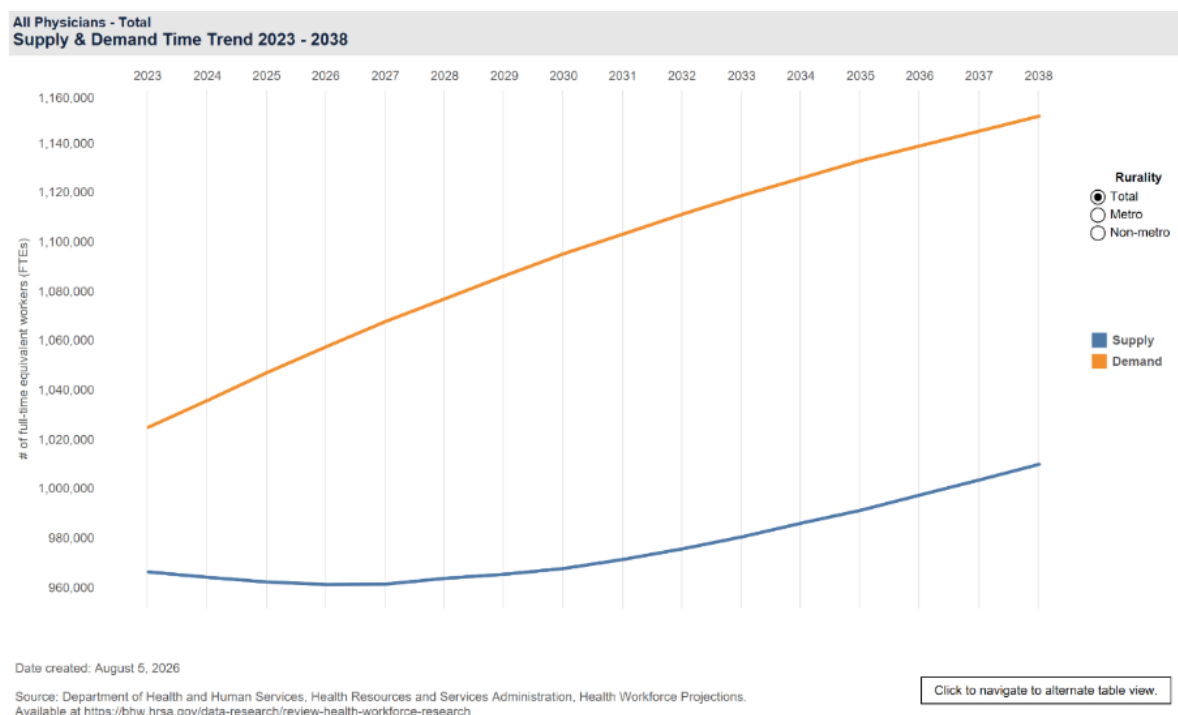


Note: For information on data collection, confidentiality protection, nonsampling error, and definitions, refer to <https://www2.census.gov/programs-surveys/decennial/2020/technical-documentation/complete-tech-docs/demographic-and-housing-characteristics-file-and-demographic-profile/2020census-demographic-and-housing-characteristics-file-and-demographic-profile-techdoc.pdf>.

Source: U.S. Census Bureau, Decennial Census of Population, 1900 to 2000; 2010 Census Summary File 1, and 2020 Census Demographic and Housing Characteristics File (DHC).

With increasing demand for healthcare services, there are growing concerns that capacity constraints may lead to decreasing quality of care. The United States faces burgeoning healthcare provider shortages, and the Association of American Medical Colleges predicts a shortage of 86,000 physicians within the next decade.⁵ Other projections present a more critical outlook, with the Health Resources and Services Administration (HRSA) predicting a nationwide shortage of 141,000 physicians by 2038.⁶ At an 88% workforce supply adequacy rate that has been steadily declining since 2023, the data display a physician workforce that cannot keep pace with growing demand (Figure 2).⁶ Consequently, the ability to provide widespread healthcare services to a growing older adult population is limited.

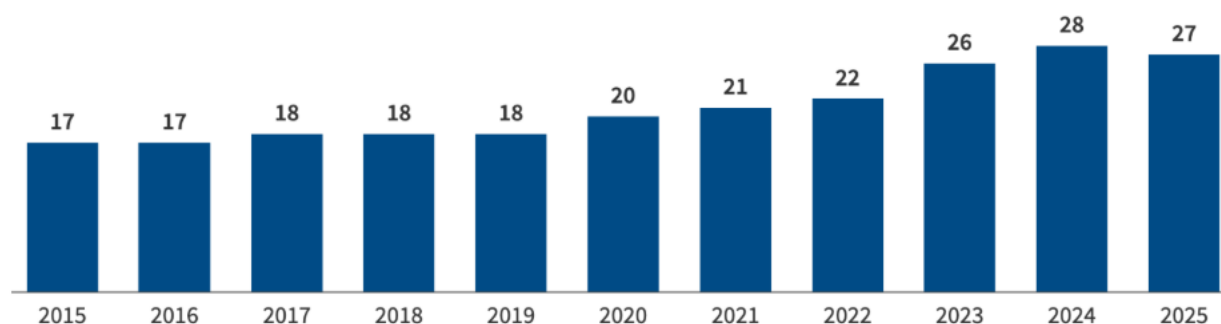
Figure 2: Supply and Demand of All Physicians in the United States from 2023-2038⁶



Specifically, workforce shortages in long-term care facilities have emerged as a critical barrier in meeting the healthcare needs of the aging population. Between 2020 and 2024, nursing home bed quantities decreased by 62,000, and 20% of long-term care locations have downsized their facility spaces.⁷ During the same period, almost 800 nursing homes closed, compared with only 243 new facilities opening.⁷ With widespread workforce shortages, the quality of long-term care facilities is also declining. From 2015 to 2025, the average inspection deficiencies rose by 40%, while more serious deficiencies for “actual harm or jeopardy” rose from 17% to 27% (Figure 3).⁸ Evidently, heightened demand pressures and provider shortages impact the quality of care that long-term care institutions can provide. Accordingly, it is an opportune moment to consider cost-effective health policy solutions that facilitate the provision of quality care. Home healthcare represents another avenue to accommodate more elderly individuals in need of care.

In this way, the diffused demand will allow long-term care facilities and home healthcare agencies to maintain quality of care, even in the face of worsening provider shortages. Further, remaining in communities, homes, or areas of choice is important to many older adults. According to a survey conducted in 2024, 75% of adults 50 and over prefer to stay in their homes as they age.⁹ Compared with other alternatives, there are also significant cost savings associated with home healthcare. In 2025, the median annual cost of nursing homes was \$115,000, while the median cost of home care was just over \$50,000.^{10,11}

Figure 3: Percent of Nursing Facilities Receiving an Inspection Deficiency for “Actual Harm or Jeopardy” from 2015 to 2025 Among Surveyed United States Certified Nursing Facilities⁸



Source: KFF State Health Facts, [Average Number of Deficiencies per Certified Nursing Facility](#) and [Percent of Certified Nursing Facilities Receiving a Deficiency for Actual Harm or Jeopardy, 2015-2025](#) • [Get the data](#) • [Download PNG](#)

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Despite the benefits of home healthcare, its current operation encounters various setbacks. At an hourly rate of \$35 per hour, the financial burden is considerable for those with more complex health needs that may require around-the-clock care.¹⁰ Families who opt for informal caregiving to save monetary costs may experience emotional and time burdens, with significant productivity costs. According to a 2011 study, the average loss of lifetime income, social security, and pensions for caregivers amounted to just over \$300,000 in 2011.¹² Further, like long-term care facilities, home healthcare agencies experience healthcare provider shortages, with all states reporting a dearth of personal care attendants and home health aides in 2025.¹³ Even with sufficient provider availability, communication challenges are inherent in a home environment with various healthcare professionals providing care. Similarly, the home environment itself may present safety barriers, as it lacks the necessary tools that are often present in healthcare facilities.

To prepare for the rapidly growing aging population, policymakers in the United States must consider ways to improve the provision of home healthcare services that address the aforementioned challenges. Demographic shifts in other countries, like Japan, South Korea, Germany, and Denmark, offer essential case studies of potential solutions. In their respective home healthcare systems, these countries have emphasized principles of integrated community care, long-term care insurance, and the broad adoption of adaptive home technologies. Through

more streamlined care, integrated community care can alleviate provider shortages and caregiver burden while supporting communication and proper home modifications. In South Korea, community-based models with interdisciplinary care teams demonstrated a reduction in hospitalization rates, and a 93% satisfaction rate among participating seniors.^{14,15} Additionally, evidence from other countries demonstrate that long-term care insurance (LTCI) can lower cost barriers for families, offer informal caregiving support, and facilitate ongoing workforce growth. For example, Germany's LTCI program provides participants compensation for formal or informal home caregiving, along with pension credits and Family Care Leave for informal caregivers.¹⁶⁻¹⁸ Moreover, these countries have leveraged technology use in home settings to create a safer environment for care provisions, while easing time requirements associated with caregiving. In this way, the extent of the provider shortage may be assuaged.

While most solutions from other countries are not directly replicable in the United States due to differing healthcare infrastructures, the key principles can be utilized in effective policy development. As this paper demonstrates, the United States already has various programs and funding structures to support the provision of evidence-based home healthcare solutions. Integrated community care delivery is evident in local programs like Tandem365, which can be bolstered through existing Community Health Worker models, funding structures similar to the Program of All Inclusive Care for the Elderly, and organizational infrastructure like Area Agencies on Aging.¹⁹⁻²² Along with long-term care insurance models being offered at the state level, Medicaid and Medicare demonstrations have proven that home healthcare delivery can be incentivized at the national level through Acute Hospital Care at Home, Money Follows the Person, and the Balancing Incentive Program.²³⁻²⁵ Moreover, innovative technologies are proliferating rapidly, with models to look toward as exemplars of reimbursement and integration, including the Center for Medicare and Medicaid's Remote Patient Monitoring program and the U.S. Department of Veteran Affairs' Home Telehealth Program.^{26,27}

In this moment of anticipation and uncertainty, effective health policy will ensure that the United States can continue to offer equitable, high-quality care to a rapidly increasing older population. An unprecedented demographic shift necessitates innovative solutions. Models of home healthcare integration from other countries demonstrate the promise of home care delivery through emphasizing community, accessible funding, and leveraging technology. Encouragingly, the United States can leverage its experience with existing models to adapt these principles with heightened integration.

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