



Care in the community

\$300,000 – The lifetime cost of being a caregiver

90% – share of people wanting to age-in-place

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The desire to ‘age-in-place’ meets a healthcare reform agenda that promotes decentralization. A new care model is customer-centric, caregiver-focused and enhances coordination across care settings.

Most people, when given the choice, would elect to stay in their homes and in their communities rather than move into residential senior care - a 2015 survey by AARP in the US put the numbers of people wanting to ‘age-in-place’ at over 90%.

However until recently the services, enabling technologies and business models didn’t support this individual desire, especially as people start to get sick. And people do get sick: according to the World Health Organization, 70% of people aged 65 or older need some form of support and two thirds of Europeans will have two or more chronic conditions by the time they’re 65. Already dementia costs society more than all cancers (yet receives much more limited research funding). By 2030, chronic conditions in total are estimated to cause a global GDP loss of \$47tn.

Our health systems were designed for acute care not chronic care. The challenge ahead is managing decline and improving quality of life, rather than curing disease. Europe devotes around 75% of its healthcare spend to managing and treating chronic disease, but only 3% on prevention. US studies found that clinical interventions only account for around 20% of health outcomes – the other 80% being the result of lifestyle factors.

Public and private payers are increasingly realizing the challenges of the current system and its unsustainability in light of the demographic changes underway, and a new model is emerging in which the metric of success shifts from *preserving* life to enhancing the *quality* of life. This new care model can be characterized in three ways: customer-centricity, caregiver support and care-coordination.

There are many reasons why healthcare is not like other industries – for a start, most people would prefer to “consume” zero healthcare – but, among other factors, it has been too easy to lose sight of the patient, who often gets shuttled between disconnected parts of a healthcare system. This is especially the case for older people who tend to have the most need for healthcare and multiple conditions. Customer-centricity is now finally arriving to healthcare, with care being delivered on the patient’s terms – where, when and how they want it.

The home is increasingly becoming the focal point of care, and technologies such as Internet of Things / Smart Home solutions, wearables, and robots all play a role in delivering remote care that allows patients to stay in their homes longer. Smart gadgets, consumer-friendly mobile apps, ‘tele-health’ and other sensors in the home allow for ubiquitous tracking and data creation, used to make predictions about the patient’s future needs, develop the most effective care plan and triage high-risk patients. Shareable electronic medical records are now commonly available at the touch of a button, giving the patient more visibility and control over their own conditions. Patients, especially those with multiple chronic conditions, effectively become their own care managers – tracking drugs, interventions, stakeholders and finances on a daily basis. This is challenging for anyone, in particular older people and those with impaired sight, mobility or cognition, which is why caregivers are such an important part of the equation.

The challenge ahead is managing decline and improving quality of life.

Beliefs and belonging



Caregivers generally fall into two camps - family (unpaid) and professional (non-medical) caregivers. Family caregivers, providing the informal care necessary to keep frail elders independent, perform the highly stressful and underappreciated role with limited support. The lifetime cost of being a caregiver (in terms of missed earnings) is more than \$300,000, according to a 2011 MetLife study – billions of dollars if the 44m unpaid caregivers in the US were compensated at the market rate. However, family caregivers are generally not rewarded financially, and often suffer professionally and personally. A family caregiver can expect a 19% reduction in their professional productivity, incur significant stress, and face accelerated decline into their own chronic disease or depression. However, new caregiver platform services such as CareLinx, Honor and Hometeam are aiming to help family caregivers find professional aides and have been supported by over \$100m in venture funding in 2015, while online portals (Unforgettable.org), social robots (Jibo) and on-site education and support (Care at Hand) will also change the picture by aiding care-coordination.

The need for care-coordination, where two or more participants (including the patient) organise appropriate healthcare services, increases significantly with older patients who are in multiple care settings over a long period of time, and may be less comfortable taking personal ownership of their care plan and using digital tracking technologies. It's a necessary response to more fragmented care across multiple institutions, and is being initiated by new government policies that shift rewards from processes to outcomes. A new reimbursement model in the US pressures health providers to improve care coordination in order to improve patient outcomes and receive reimbursement. For example, hospitals are actively penalized if a patient returns to hospital for a recently treated condition, providing the motivation for the provider to check in regularly with their patient and deliver care in the community setting where possible.

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Lowering hospital costs should lead to rewards for those developing innovation in home care. Maintaining human contact and overcoming isolation brought on by more people living at home alone will be an issue, though, as will introducing the new technologies and new models of care into the home care market in the first place. As we advance into a new model of care in the community, we should see costs come down and quality of care increase.

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Related insights

Agelessness



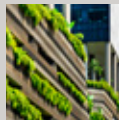
A person's physical age becomes less important as society adapts to the new demographic landscape. New opportunities arise for creators and consumers of all ages, though benefits are often only for the wealthy.

Affordable healthcare



The escalating cost of healthcare is further stressed by the need to support the old and the chronically ill. Spending 20% of GDP on healthcare is seen as unsustainable so hard decisions are taken around budgets and priorities.

Citizen-centric cities



Successful cities will be designed around the needs and desires of increasingly empowered and enabled citizens - who are expecting personalized services from the organisations that serve them.

Working longer



People are having to work for to support longer retirements. Flexible working practices and policies are emerging, but some employers continue to remain ambivalent about older workers.