

THE HOME CARE CONUNDRUM

When what should be a practical solution is anything but

By Kathy Bradley

We have explored the challenges families face in long-term care facilities, but long-term care also occurs in homes—either the consumer’s or that of a family caregiver. Unpaid caregiving by family and friends is widespread, with nearly 42 million adults in the U.S. (that’s 17% of the adult population) providing unpaid care valued at \$600 billion annually in 2021. That includes \$7.6 billion in South Carolina alone. For context, American families spent \$433 billion on all other out-of-pocket healthcare costs that year (Sources: AARP, NIH).

Caregiving burdens families with employment struggles, financial strain and emotional challenges. Many caregivers juggle responsibilities for children and aging parents, often stretching resources to their limit. Emotional tolls, such as the role reversal between parents and children, can disrupt lifelong dynamics and add to the strain.

When families can no longer meet their loved ones’ care needs, they often turn to home care agencies or hire caregivers. But is this option practical for all?

Home care agencies abound, most offering only nonmedical services, such as personal care, meal assistance and help with daily living activities. These services, though sometimes labeled unskilled, require exceptional skills to perform well. While some long-term care insurance policies cover such care, they are costly. Medicare does not pay for nonmedical personal care as a stand-alone service. While Medicaid will, in specific circumstances, often this funding is tied to limited slots, allocated by each state’s ability to match federal Medicaid funds. These limitations leave many families to pay out of pocket.

Home health agencies provide skilled services like nursing, therapy, and social work. Medicare covers these services if deemed medically necessary, and will then often fund the personal care services most needed. Increasingly, home health agencies are not providing this type of essential care, usually citing staffing shortages as the reason for not offering personal care. Yet, the rise in nonmedical home care agencies suggests this isn’t all there is to the issue. Medicare allows home health agencies to contract with nonmedical providers to fill this gap, but such partnerships rarely occur. Families are left to wonder why this gap persists when personal care is essential for many seniors.

A significant reason lies in Medicare's payment structure. Medicare reimburses home health agencies a lump sum per diem for each patient, intended to cover both skilled and nonskilled services. However, providing nonskilled services increases expenses against this fixed payment. Consequently, agencies are disincentivized from offering such care, even though Medicare permits it. Some providers falsely claim that Medicare doesn’t pay for that service, which is incorrect (as outlined on page 9 of the [Medicare Home Health handbook](#)).

Additionally, Medicare regulations don't **require** home health agencies to employ or provide non-medical caregiving services. By not mandating them, the [Centers for Medicare and Medicaid Services](#) signals that these services are not a priority. Without regulatory pressure, agencies are unlikely to invest in hiring and retaining paraprofessionals for essential personal care. This leaves families to shoulder the burden or pay out of pocket—a heartbreaking struggle for many.

The systemic shortcomings of Medicare-funded home health services bring us back to the plight of unpaid caregivers. Families are left with few viable options when professional care is unaffordable or unavailable.

While immediate solutions for the thousands of families in need remain elusive, stronger advocacy is essential. Providers must be held accountable for delivering the full range of services Medicare intends to fund. If home Health agencies cannot hire and retain paraprofessional staff, they should contract with nonmedical providers to ensure that critical care needs are met.

The current system disproportionately burdens families and fails to recognize the importance of personal care in elder health. Resolving these issues requires a shift in priorities and the commitment to bridge the gap between skilled and paraprofessional nonskilled care.

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