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ABSTRACT

The Supportive Services Program for Older Persons is designed to demonstrate that a private market for home and community-based health related services can be developed in response to the demand expressed by older people and their families. The objective of the program is to expand the service options available to older people by letting market forces determine what services are needed. Currently, services available to the elderly are based upon what reimbursement programs will cover, rather than the elderly's total needs. Eleven home health agencies are participating in this demonstration. The most common services being offered are house-based products, such as minor home repair, heavy chores, and handyman services. Case management and caregiver education programs are also being offered, as are a wide range of additional services, such as personal emergency response systems, transportation, and personal affairs management. The services offered under this program have been developed in response to the demands expressed by a private market. Use of this approach, rather than relying on provider determined "needs" has led to a different array of services than traditionally are provided by home health agencies. At the same time, this program was also intended to develop non-medical types of services since the framework for acute care services at home is fairly well-developed. (Author/ABL)

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The Supportive Services
Program for Older Persons

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THE MARKET FOR COMMUNITY SERVICES

FOR OLDER PEOPLE

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"The Market for Community Services for Older People"

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ABSTRACT

The Supportive Services Program for Older Persons is designed to demonstrate that a private market for home and community-based health related services can be developed in response to the demand expressed by older people and their families. The objective of the program is to expand the service options available to older people by letting market forces determine what additional services are needed.

Eleven home health agencies are participating in this demonstration, which is funded by the Robert Wood Johnson Foundation. This paper reports on the types of services which the participating agencies are making available. The most common types of services being offered are house-based products, such as minor home repair, heavy chores, and handyman services. Case management and caregiver education programs are also being offered, as are a wide range of additional services, such as personal emergency response systems, transportation, and personal affairs management.

This paper also discusses the reasons that these services have been selected, considerations in designing and providing supportive services, and the broader policy implications of the need for these types of services.

The Supportive Services Program for Older Persons seeks to demonstrate that a private market for home and community-based health related services can be developed in response to the demand expressed by older persons and their families. Funded by the Robert Wood Johnson Foundation and administered nationally by the Policy Center on Aging at Brandeis University, this demonstration operates in 11 home health agencies serving a mix of urban, suburban, and rural locations. This paper reports on the status of the program as the individual agencies commence service delivery.

I. BACKGROUND

Currently, services available to the elderly are based upon what reimbursement programs will cover, rather than the elderly's total needs. Because of the medical emphasis of private and public insurance, available services are focused more on reducing the impact of morbidity than on preventing illness and meeting basic needs. Home health agencies traditionally provide health care services such as skilled nursing, physical therapy, and personal care. The objective of the Supportive Services Program is to complement these traditional health related offerings and expand the options available for older persons by letting market forces determine what additional services are needed. Older persons will then have the opportunity to choose services that will enable them to live as independently as possible.

The success of this approach clearly depends upon the ability and willingness of older persons and their families to pay for nontraditional services. Although variation in income levels does exist, the combination of most older persons' income, assets, eligibility for public and private benefit programs, and the availability of additional aid from within the family represent significant purchasing power for this segment of the population.

The program is unique in its use of market research and analysis prior to the initiation of service delivery. Each agency undertook a locally designed market research study to analyze the demand for supportive services. The agencies contracted with professional market research firms for this function. Quantitative surveys examined the demand for various services, current use of services, availability of resources, willingness to purchase services, and other similar issues. The agencies also used focus groups as a qualitative research tool for testing product design, price sensitivity, and packaging options. The market surveys were stratified in order to gain information on the demand for services among well elderly persons, frail elders, and caregivers.

This paper briefly describes the agencies which are implementing the supportive services program and the communities in which they operate. The paper focuses on the services which the agencies are selling.

II. FINDINGS

A. Supportive Service Programs

The agencies participating in this demonstration are relatively large home health agencies. Requirements governing participating were designed to assure that the participants had a demonstrated track record and experience in providing home health services on a large scale.

Table 1 lists the home health agencies participating in this demonstration. Six of the agencies have their roots in visiting nurse associations, but other types of agencies are also represented. Two agencies are state public health departments. The Arkansas Health Department operates a statewide program; the South Carolina Department of Health and Environmental Conservation is focusing on two local health districts. Michigan Home Health Care is a private non-profit

agency; the Kennebec Valley Regional Health Agency grew out of a rural health center; and SMILE Independent Living Services emerged from a hospital-based home health agency.

B. Target Populations

It is no doubt true that a minimum population is necessary to sustain this type of a program in the long run. Of equal concern to the absolute number of people residing in the area is the existence of a market of sufficient size in which people demonstrate a willingness to purchase these services.

The size and nature of the target markets vary substantially, as Table 2 indicates. Two programs (Michigan Home Health Care and Kennebec Valley Regional Health Agency) operate in rural areas, while two programs (VNS Affiliates of Seattle and VNA of Texas) focus on urban markets. Senior Partners (Essex County, Massachusetts), MCOSS Foundation (Monmouth County, New Jersey), and VNA of the Inland Counties (Riverside, California) are predominantly suburban areas, each with a large population. The VNA of Delaware and Arkansas Health Department serve statewide areas, each with an urban center (Wilmington and Little Rock, respectively) and outlying rural areas. The market for SMILE Independent Living Services, in the Capital district of New York, includes both smaller cities and an outlying rural area. The South Carolina program focuses on a popular retirement community (Hilton Head) and a mid-sized city (Charleston).

C. Supportive Services Offered

Table 3 summarizes the range of new services which each agency is offering. Tables 4, 5, and 6 indicate the aggregate number of agencies providing each type of service. In different sites, the actual nomenclature used to describe the

individual services varies somewhat. This paper uses generic terms to describe similar services offered across programs.

1. House Based Services

The most striking feature of this program is the heavy emphasis on what can be termed "house based services." These are services which care for the physical environment of the home, rather than directly for an individual. Making these services available in conjunction with their traditional health offerings extends the capacity of these agencies to meet the comprehensive needs of older persons residing in the community.

Ten of the eleven programs are offering housekeeping and housecleaning services. This is a relatively straightforward service which includes such tasks as routine cleaning, dusting, washing and waxing.

Ten programs will sell handyman services. These include minor home repairs, ongoing home maintenance, and general "fix-it" services, such as light carpentry, simple electrical and plumbing repairs, and painting. Three of the programs plan to market major home repair services as well. These offer more extensive renovation, and include such items as roofing repairs, installation of "grab bars" in bathrooms, and modest structural changes.

Yard maintenance and heavy chore work are being provided through seven programs. Typical components of these services include lawn care, maintenance of gutters, cleaning brush and trash, and changing storm windows. Two of these sites include snow removal as a specific service, an offering that obviously is influenced by geographic consideration.

Four of the programs will offer housing inspections, either as a free standing service or as part of a broader membership club enticement. Home inspections provide a physical assessment of the status of the home, focusing

not just on needed repairs (e.g., a leaky roof), but basic safety, such as sturdiness of stair railings, safety and placement of rugs and carpeting, and electrical or heating deficiencies.

2. Membership Club

Six programs are using a membership club as a means of establishing identity and bonding older persons to the program. In addition to their use as a marketing device, the clubs provide tangible benefits. These include newsletters with health tips and other information, wellness programs, discounts on services, and in some cases a free home safety inspection. The price of membership is modest, ranging from $5 to $25 per year depending on the program.

3. Case Management and Related Services

Case management and related services are also being made available in ten sites. Tables 3 and 5 distinguish between case management and family counseling services, although in some instances the line between the two is blurred. In this table, the distinction is based on the primary focus of the agency's program. Included within the definition of case management are those services which focus on traditional case management activities, such as client assessment, monitoring, arranging for services, and ongoing follow-up of care needs. These services are often sold to adult children and other care givers, as well as the individual recipient of services. In four of the five programs offering case management, it will be sold and billed as a distinct service. In the fifth program, the costs of case management will be added as a surcharge to the prices of specific services which are purchased.

A similar service being offered in four sites is "caregiver education and counseling." This service focuses more directly on assisting caregivers in performing the day-to-day tasks associated with coping with a frail relative at home. A second distinguishing feature of the education and counseling service is that it is being marketed to employers to purchase on behalf of their employees as a benefit. In those cases where more intensive case management types of services are needed, those are available for purchase as a separate item.

The third family oriented service is respite/sitter care. This service provides intermittent relief to caregivers of the frail and disabled on either a short-term (eg, afternoon) or extended (day or week) basis.

4. Other Services

Three programs will market personal emergency response systems. These electronic devices enable quick action in case of an immediate crisis threatening frail older persons. The agencies will contract with companies which have developed the hardware and monitoring systems. The supportive services programs plan to tie in this service with other agency activities, so that the monitoring device is not seen as a cold computer or impersonal operator answering the phone at the other end, but an extension of the home health agency itself.

Four programs plan to sell personal assistance services. The components of this service include housekeeping and cleaning tasks, assistance with shopping and errands, as well as the more traditional personal care oriented tasks such as bathing, grooming, feeding and toileting assistance. The personal assistance services will be marketed primarily to a frail elderly population.

Transportation services will be available in three sites. These services include not just travel but an accompanying escort where needed. The services will be available for social activities and shopping. This feature differentiates them from many transportation services for older persons which provide travel assistance for medical visits only.

Personal affairs management will be marketed by two of the programs. This service includes assistance with bill paying and completing insurance claims. Three other services -- home delivered groceries and prescriptions, home delivered meals, and health screening services -- will be offered in one site each, while an additional site hopes to develop a supportive services oriented component to long term care insurance plans.

III. DISCUSSION

The services offered under this program have been developed in response to the demands expressed by a private market. Use of this approach, rather than relying on provider determined "needs," has led to a different array of services than traditionally are provided by home health agencies. At the same time, this program also was intended to develop non-medical types of services since the framework for acute care services at home is fairly well developed. (Recent efforts to limit the levels of home health services under the Medicare program do not change the fact that the basic infrastructure itself remains).

A. House Related Services

The clearly evidenced demand for house-related services at first glance may seem somewhat surprising. On further consideration, however, it is a very

logical series of services to be developed for a private paying market. First, people are used to paying for these types of services. Directly purchasing personal care or home health aide services is somewhat alien, due to widespread perceptions that they are covered services under Medicare or health insurance programs. On the other hand, people don't expect to be entitled to "free" housecleaning, home maintenance, and similar services.

Second, homes and the living environment are very important to older persons. It is estimated that more than three-quarters of seniors own their own homes, most of them free and clear. They have lived in these houses for a long time, and their upkeep and maintenance are important to their peace of mind. Having a sense of security in one's own environment, indeed, may be a key factor which keeps people out of nursing homes. Some home health agencies which received supportive services grants expressed concern initially that these services were not part of their traditional mission. Ultimately, however, they were able to justify providing them, however, by recognizing that the home environment and a feeling of security may be as important to older persons' well being as are adequate health services.

A third explanation for the extensive demand for home maintenance services is the limited availability of firms willing to undertake the needed work. It is relatively easy to find a contractor who will add a second story to a house, but not many older people are planning such an expansion of living area. Finding someone who will undertake the small jobs, such as building a wheelchair ramp, installing grab rails in the bathroom, or repairing a bannister is a much more difficult task. Thus, one of the assumptions underlying the development of these services is that by mobilizing large groups of seniors, the volume of business will be sufficient to attract handymen, carpenters, and other home maintenance specialists.

In addition, the market research revealed that safety is a major concern of older persons. This includes not just protection from crime, but maintaining a home that is safe from hazards (e.g., are the treads on the stairs safe? are throw rugs secure?).

The final explanation for strong demand for house based services may be more of a commentary on the nature of the contemporary service industry rather than the demands of older persons. In several sites, the market research revealed that some firms -- housekeeping was typically mentioned -- don't like to deal with older clientele. Older clients are seen as fussy, and wanting things done "their way". They are considered time consuming customers who may want to chat with a worker rather than let them go about cleaning house. This, of course, presents a serious problem for a firm trying to adhere to production schedules and productivity standards. As providers used to dealing with the needs and demands of a frail population, home health agencies should be in a better position to address these unique attributes of this market.

B. Case Management Services

Agencies have long had a strong interest in providing case management as the "glue" which holds a service package together for an older person. In their early proposals, the agencies anticipated that case management would be a major component of their service package. Based on market research, however, they have scaled back case management plans substantially. While agencies are still offering and marketing case management, it is now viewed as an ancillary type of service, not the core offering which will attract persons to use other supportive services.

One basic problem with selling case management services to older persons is that customers have difficulty in understanding exactly what it is. Several reasons emerged in the market research as to why this is a difficult product to sell. First, case management is a very difficult concept to explain. While those of us who deal with long term care and gerontology on a professional basis understand the broad concept, it is much more difficult to define in a way that is attractive to a purchaser/consumer of services.

Potential customers also view case management as a paternalistic concept. On several occasions, the focus groups found older people stating something to the effect of, "I am not a case. I am a person." The concept of a service coordinator or patient representative was somewhat more appealing, suggesting that nomenclature may be part of the problem. But overall, relying on another person to access services appears to be a fundamental concern, at least among a healthy older population.

Related to these concerns, people simply do not understand why a special provider of services or a special set of tasks is needed in order to gain access to care. Viewed in the context of a private market, case management bears a striking resemblance to ongoing customer service. This is a market retention strategy, rather than a separate product to be sold.

Finally, it appears that the major market for case management is episodic. People tend to use case management when they need it (for example. following a hospital stay). But that use is likely to be short term, and once a person has gained familiarity with the system and access to needed providers, purchased case management services are likely to be terminated. People simply did not appear interested in purchasing it on an ongoing, long term basis.

Within the caregiver population, the demand for case management services may be stronger. Changes in demographics which have been discussed extensively elsewhere (e.g., more women in the work force, an increasing older population) have made caregiving an important issue at the work site. Consequently, much of the marketing for this product will be targeted through counseling and caregiver training programs, frequently in conjunction with employers.

C. Other Issues

In addition to finding a demand for certain types of services, agencies also must produce those products at a price which people will pay. This is not always an easy match. The primary example of this difficulty is transportation services. While several agencies found a substantial demand for transportation, pricing this service at a level that was both affordable to the customer, yet covered the costs to the provider proved impossible. As a result, a number of agencies opted to forego a transportation service, despite the expressed need. The three sites that do plan to go ahead with transportation intend to be wary, phasing it in over time after they have developed a solid foundation with other services.

Another issue that has confronted the programs is whether to "make" or "buy" services, i.e., whether to produce the services directly or to contract with an already existing producer in the community. For some services the answer is simple. Case management and family counseling, for example, are likely to fit in with the skills of existing agency personnel. The services most in demand -- the house based services -- present a real dilemma, however. The agency is not likely to have the personnel to provide the service, so it must adopt innovative arrangements. One solution has been to hire retired

carpenters and other workers to provide these services. In this case, the agency also must hire someone to develop standards and oversee the operation itself.

A related production issue concerns the capital investment required. Yard maintenance services, for example, require lawn mowers, trailers, and pickup trucks. As a result of this need, many agencies plan to contract for services, providing them under the home health agency's auspices. The disadvantages which this approach presents are loss of immediate control and supervision, as well as higher costs. Clearly, the preferred route is development of the internal capacity to provide these services. It is likely that programs will move toward this direction as they gain the necessary expertise and gather sufficient volume to justify capital outlay.

IV. IMPLICATIONS

The initial findings of the Supportive Services Program contain some very clear indications of the need and demand for new types of services that are not readily available in many communities. Based on the market research conducted in these communities, there clearly is a market for a number of different services. Obviously, the true test of this market will come as agencies implement their sales plans. The initial research, however, indicates that older people and their families are willing to spend discretionary money in order to gain access to services and products which they believe are important to their well being.

The market research highlights the importance of the home for senior citizens. Public policies towards developing community-based systems of care and services for older persons have focused much of their effort and financing on

health and personal care services, often neglecting the key role which housing plays. The consistently high rankings which house-based services achieve in the supportive service offerings indicate the priority which senior citizens place on the safety, security, appearance and comfort of their homes. Control over the home environment is of paramount importance. The market research revealed a fear that losing control over the physical environment is the first step towards losing control over other aspects of one's life, and being forced into a nursing home.

Finally, this demonstration also provides a look at what happens when traditional health providers adopt a consumer driven, demand-based approach to services, rather than the traditional professionally determined "needs assessment" model. This difference is seen most clearly in the reception which potential consumers gave to case management services. It can also be observed in other areas. For example, several agencies initially proposed home delivered meals as a product which they assumed would be appealing to older persons. Potential customers, however, soundly rejected this service -- primarily because, in addition to the direct function of getting food on the table, shopping is a social activity.

For senior citizens, the efforts undertaken by these agencies will result in a new set of services which will better meet their needs. For health and social agencies, the research indicates that viewing older persons as customers rather than as patients, and asking them what they want rather than telling them what they need, opens up a whole range of possibilities for future activities. Meeting the demand for these new services can both further the mission of the agency, as well as generate a new stream of revenue from the private market.

TABLE 1

SUPPORTIVE SERVICE PROGRAM FOR OLDER PERSONS

GRANT RECIPIENTS

ARKANSAS DEPARTMENT OF HEALTH
Little Rock, AR

VISITING NURSE ASSOCIATION OF THE INLAND COUNTIES
Riverside, CA

VISITING NURSE ASSOCIATION OF DELAWARE
New Castle, DE

KENNEBEC VALLEY REGIONAL HEALTH AGENCY
Waterville, ME

VISITING NURSE ASSOCIATION OF NORTH SHORE
Danvers, MA

MICHIGAN HOME HEALTH CARE
Traverse City, MI

MCOSS FOUNDATION
Red Bank, NJ

SMILE INDEPENDENT LIVING SERVICES
Albany, NY

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
Columbia, SC

VISITING NURSE ASSOCIATION OF TEXAS
Dallas, TX

VISITING NURSE SERVICE AFFILIATES
Seattle, WA

TABLE 2

ESTIMATED POPULATION TO BE SERVED*

	TOTAL POPULATION	PERSONS 65 AND OLDER	PERCENT 65 AND OLDER
ARKANSAS HEALTH DEPARTMENT Little Rock, AR	564,000	65,872	11.7%
VNA OF THE INLAND COUNTIES Riverside, CA	939,275	93,660	10.0%
VNA OF DELAWARE Wilmington, DE	637,000	75,000	11.8%
KENNEBEC VALLEY REGIONAL HEALTH Waterville, ME	158,665	20,839	13.1%
VNA OF NORTH SHORE Danvers, MA	633,676	84,384	13.3%
MICHIGAN HOME HEALTH CARE Traverse City, MI	148,423	20,482	13.8%
MCOSS FOUNDATION Red Bank, NJ	503,173	62,661	12.5%
SMILE INDEPENDENT LIVING Albany, NY	437,875	57,543	13.1%
SOUTH CAROLINA DEPARTMENT OF HEALTH Charleston and Hilton Head, SC	342,338	24,937	7.3%
VNA OF TEXAS Dallas, TX	902,619	85,927	9.5%
VNS AFFILIATES Seattle, WA	1,389,235	149,769	10.8%
TOTAL	6,313,941	716,137	11.3%

*NOTE: Data are based on figures supplied by the individual programs, and are from varying years, 1980-87. This table is intended to give a broad portrayal of the size of the target populations. Further use of these figures should be undertaken with caution.

TABLE 3

SUPPORTIVE SERVICES PROGRAM for OLDER PERSONS
PLANNED SERVICES BY SITE

	Arkansas	Riverside	Delaware	Kennebec	Danvers	Traverse City	MOSS	Albany	South Carolina	Dallas	Seattle
Handyman	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	
Housekeeping/Cleaning	XX	XX	XX	XX		XX	XX	XX	XX	XX	XX
House Inspection	XX	XX	XX								
Major Home Repairs		XX	XX					XX			
Yard & Chore		XX	XX	XX		XX		XX	XX	XX	
Snow Removal				XX		XX					
Case Management				XX		XX	XX	XX		XX	
CareGivers & Family Counseling			XX		XX		XX		XX		XX
Respite/Sitter	XX		XX								
Emergency Response Device	XX					XX					XX
Personal Affairs Mgmt.					XX			XX			
Personal Assistance	XX			XX				XX	XX		
Transportation	XX		XX	XX				XX			
Health Screening						XX					
Home Delivered Meals						XX					
Home Deliv. Groc/Drugs	XX										
Membership Club	XX	XX	XX		XX		XX		XX		
Long Term Care Ins.											XX
	Arkansas	Riverside	Delaware	Kennebec	Danvers	Traverse City	MOSS	Albany	South Carolina	Dallas	Seattle

TABLE 4

NUMBER OF AGENCIES PROVIDING HOUSE-BASED SERVICES

HOUSE BASED SERVICES	NUMBER OF AGENCIES PROVIDING
o HANDYMAN/MINOR HOME REPAIR	10
o HOUSEKEEPING/HOME CLEANING	10
o YARD & CHORE WORK	7
o MAJOR HOME REPAIRS	3
o HOME INSPECTION	3
o SNOW REMOVAL	2

TABLE 5

NUMBER OF AGENCIES PROVIDING CASE MANAGEMENT SERVICES

CASE MANAGEMENT SERVICES	NUMBER OF AGENCIES PROVIDING
o CASE MANAGEMENT	5
o CAREGIVER EDUCATION & COUNSELING	3
o RESPITE/SITTER	3

TABLE 6

NUMBER OF AGENCIES PROVIDING OTHER SERVICES

OTHER SERVICES	NUMBER OF AGENCIES PROVIDING
o MEMBERSHIP CLUB	6
o ESCORTED TRANSPORTATION	4
o PERSONAL ASSISTANCE	4
o PERSONAL EMERGENCY RESPONSE DEVICE	3
o PERSONAL AFFAIRS MANAGEMENT	2
o HOME DELIVERED MEALS	1
o HOME DELIVERED GROCERIES & DRUGS	1
o LONG TERM CARE INSURANCE	1
o HEALTH SCREENING	1