



WHITE PAPER

The Future of Home Care

A 2025 Survey of the Home Care Industry & Future Trends



Introduction

What Will the Home Care Industry Look Like in Five Years?

What are the Factors That are Shaping our Industry?

The home care industry stands at a pivotal moment of transformation. The following report, sponsored by AxisCare, is based on the findings from our second annual survey of more than 250 U.S.-based home care industry leaders that was conducted by Leading Home Care ... a Tweed Jeffries company in the winter of 2024. Building on the inaugural study, this year's research reveals key home care industry trends, including both enduring challenges and emerging shifts in how leaders view the future of care delivery. We have also added some elements to this year's study based on changes in the industry.

As we compare data year over year we see an industry actively adapting to persistent challenges while embracing new opportunities. The insights gathered paint a picture of a sector that is not just growing, but evolving in how it approaches everything from caregiver management to technology adoption.

A notable development in this year's study is the increasing stratification of operational approaches based on company size.

Throughout the report, readers will notice significant differences in results based on company size. Analysis reveals distinct variations in responses that correlate with the scale of operations, spanning across diverse agency sizes, from Median Companies, defined as generating revenues between \$1 million and \$2.9 million, to Fast-Growing Companies, defined as generating revenues between \$3 and \$9.9 million, which make up the top 10% of the industry, to Enterprise Companies, defined as those with revenues exceeding \$10 million, putting them in the very top of the industry.

By dissecting these segments, the goal is to provide actionable insights that resonate with the unique dynamics and needs of each business category within the home care industry.

To give a better picture of the relevance of this data, it is helpful to look at some facts and data about the home care industry that were compiled by Leading Home Care from a variety of sources, including the Homecare CEO Forum, Activated Insights (formerly Home Care Pulse), and The Franchise Times Top 400 List of franchises.

It is very difficult to know exactly how many companies serve the home care industry as there are only 29 states that license home care companies and one state that registers home care companies. There are 20 states with no licensure, so it is difficult to know how many companies operate in these states.

After studying state licensure data and tracking the number of home care companies since 2013, Leading Home Care makes this projection as to the number of companies providing in-home care to older adults and people with disabilities:

- Independent companies – 13,000
- Franchise companies – 8,540 *
- Affiliated companies – 5,000
- Registries – 2,000

** Franchise units are actual numbers based on a list of 58 companies providing home care franchises updated by Leading Home Care in August 2024*

A very special thank you to all those industry leaders who contributed to this survey and shared their thoughts about the factors affecting the future of home care.

Key Findings

Client and caregiver scheduling emerges as a top system priority for future growth

When asked to select from 12 systems that have been identified as key to operating a successful home care agency, agency leaders selected the following as the most important:

- 51% want to focus on Client & Caregiver Scheduling, up from third place in the 2024 study
- 47% see the need to focus on their Caregiver Recruiting System, and while still crucial, has moved to second priority, reflecting potential maturation in recruitment strategies
- 42% acknowledge they need to focus on their Caregiver Retention System
- 36% want to improve their Home Care Marketing System
- Enterprise Companies see these systems differently, with 60% wanting to focus on Caregiver Retention Systems

While caregiver-related challenges persist, their nature is evolving

When asked about the top pain points for company owners, the top results included:

- Caregive Shortage concerns have decreased from 69% to 59%, suggesting improved strategies
- 46% encounter significant obstacles in Caregiver Recruiting
- 39% experience challenges in Caregiver Retention
- New Client Attraction has emerged as a growing concern, with 33% noting it as a big concern
- Enterprise Companies also see Caregiver Shortages as their biggest concern

Outside forces and trends continue to get in the way of growth

Noted trends that will hinder home care company growth in the future include:

- The Increasing Cost of Home Care to consumers has emerged as the primary concern, with 64% of respondents believing it is a hindrance
- 63% view the Rising Costs of Staff, Supplies, & Services as a noteworthy concern, though down from 71% in last year's study
- 53% of participants see the State of the Economy as a major challenge
- Labor Market Conditions show signs of stabilization, with 53% of leaders noting it as a significant challenge, down from 66%
- Enterprise Companies see the Increasing Cost of Staff, Supplies, & Services as the biggest hindrance

Growth opportunities and strategies show interesting year-over-year evolution

When asked about the greatest growth opportunities, agency leaders highlighted:

- 70% of leaders see the greatest opportunities for growth in doing a much better job within their Current Business
- 64% recognize that Expanding Into New Markets presents an opportunities for growth, down from 94%
- New Revenue Stream exploration has gained significant interest with 58% acknowledging it could fuel growth
- 57% say Adding Payer Sources will be a key strategy
- Enterprise Companies see these opportunities for growth in the same way

Key Findings (Cont.)

Private pay continues to lead revenue opportunities while other sources gain ground

When asked which payer source would provide the greatest opportunity for growth, it was noted that:

- Private pay growth potential has increased to 68%, up from 61%
- 59% view the U.S. Department of Veterans Affairs as a key avenue for expansion
- 60% regard Long Term Care Insurance as a very promising opportunity, up from 54%
- 40% see Medicaid and Medicaid Waivers as an opportunity for growth
- Enterprise Companies see The Department of Veterans Affairs and Long-Term Care Insurance as the greatest opportunities

Technology adoption shows signs of maturation

When asked which elements of technology will have the greatest impact, the trends that ranked the highest included:

- 53% see Artificial Intelligence (AI) as a new technology that will have an impact, down from 81%
 - 53% recognize remote patient monitoring will have an impact
 - 49% see telehealth and virtual visits as having high impact
 - 44% believe that tablet-based communication will play a crucial role, a slight decrease from last year
- greatest opportunities

Companies that focus on serving Medicaid clients have concerns about Electronic Visit Verification

- 51% of Medicaid companies see EVV as a very significant or extremely significant concern
- 86% say their biggest concern is making it easy for caregivers to clock in and out
- 83% want to avoid reimbursement delays due to incomplete claims
- 80% are concerned about keeping up with Federal and State government regulations

Detailed Findings

Optimizing Caregiver Systems for Scheduling, Recruitment, & Retention Are Key to Helping You Scale

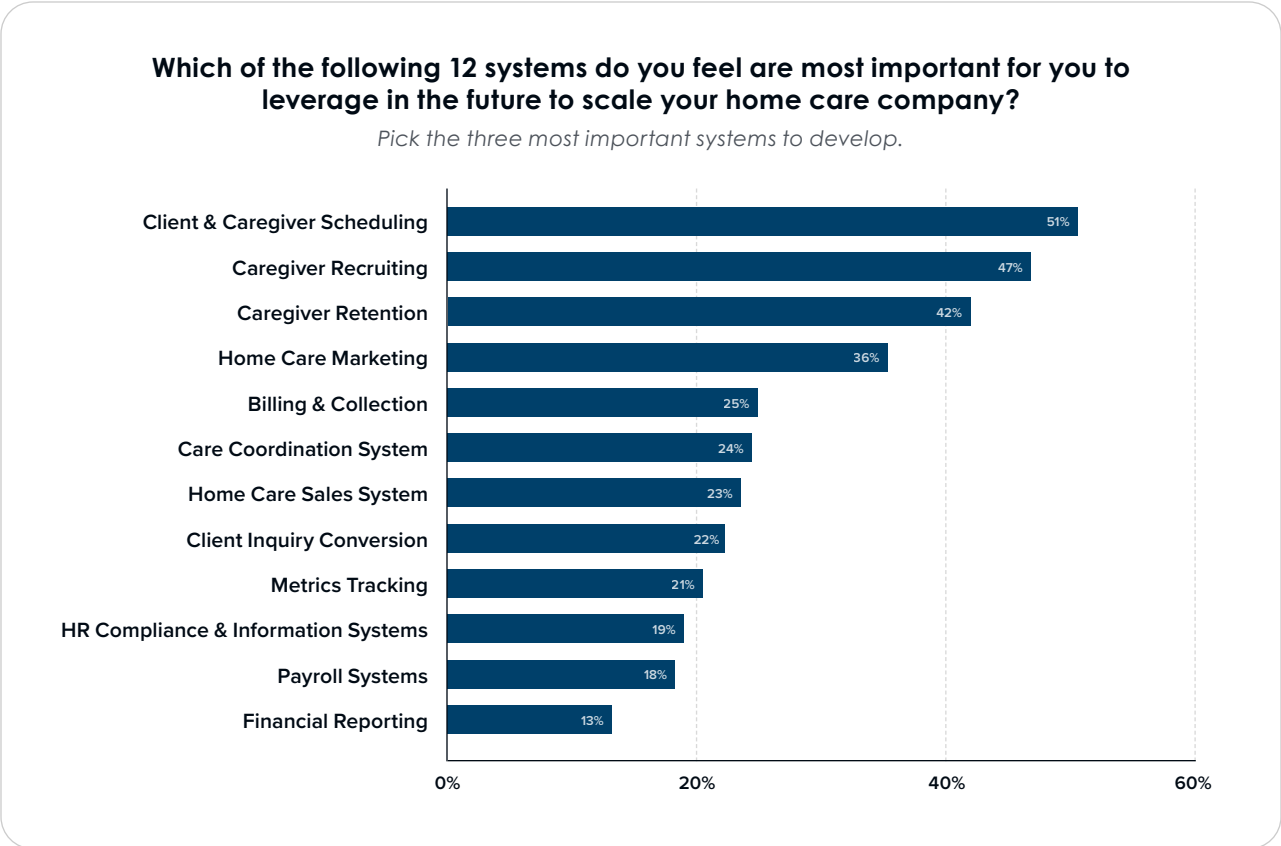
Research conducted by Leading Home Care and a study of best practices in top-tier home care companies through the Homecare CEO Forum, helped identify 12 home care systems to run an effective, fast-growing, profitable home care company. These systems are a combination of processes and people working together to provide repetition and consistency in the operation of a home care company.

Among the most significant home care industry trends, the order of importance shifted notably from the 2024 report. Client & [Caregiver Scheduling](#) moved up to first place from third place, with 51% of agencies now focusing on scheduling optimization. This represents more than just a tactical change – it signals an industry-wide recognition that maximizing existing resources is as crucial as expanding them.

The overall results for this question show the percentage of respondents who selected each system among their top three choices.

We also observed some differences in the data based on company size:

Fast-Growing Companies demonstrate a distinct pattern, placing Caregiver Retention at the top of their priorities, followed by Client & Caregiver Scheduling, with Caregiver Recruiting in third and Home Care Sales to fourth place. Enterprise Companies show yet another strategic approach, prioritizing their systems in a clear sequence of Caregiver Retention, Caregiver Recruiting, Home Care Sales Systems, and Home Care Marketing.



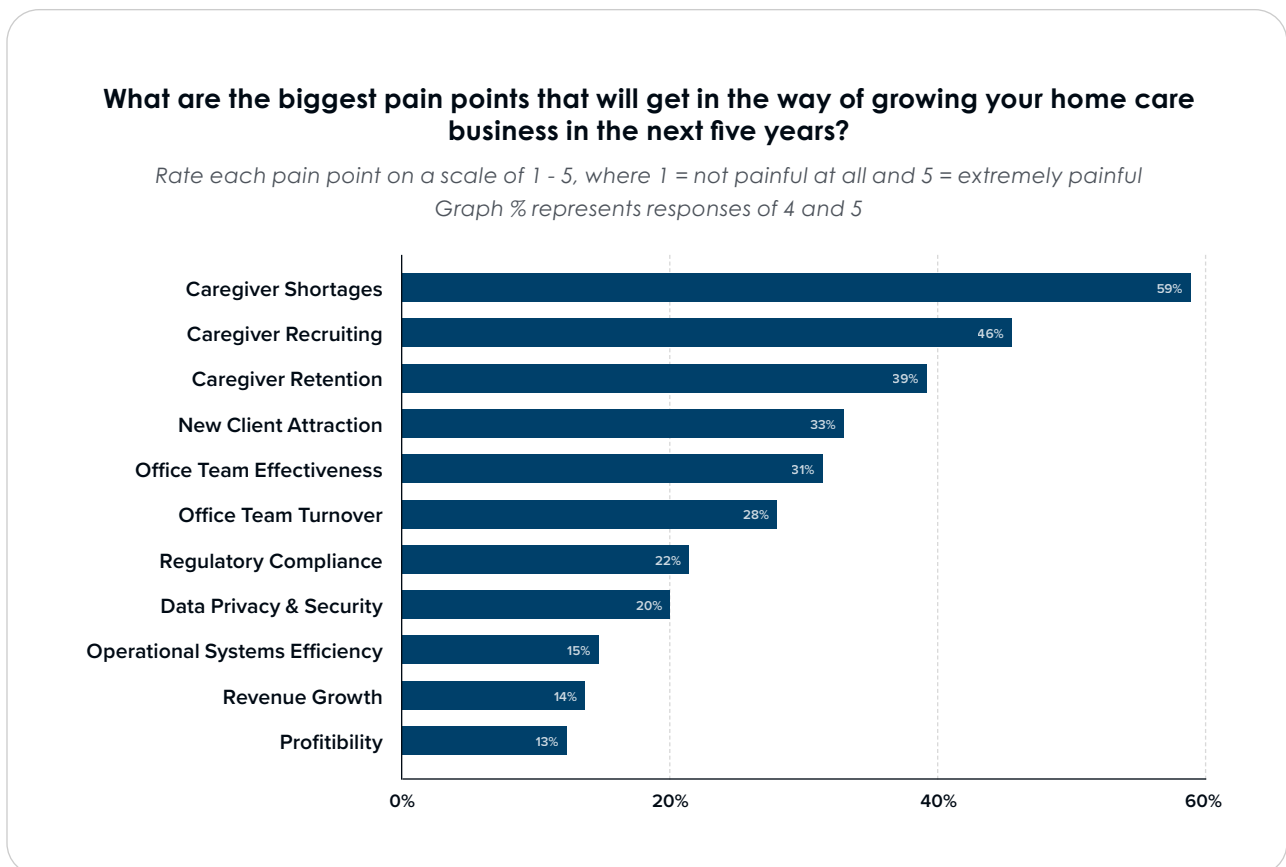
Workforce Shortages Still a Concern in 2025

Caregiver shortages, recruiting challenges, and retention issues continue to be major barriers to growing a home care company. This persistent challenge, first documented in Leading Home Care's 2006 Caregiver Recruiting Study, shows no signs of resolution as industry thought leaders project these factors will remain critical issues for the foreseeable future.

However, the 2025 data reveals an evolving landscape. While [Caregiver Shortages](#) remain significant at 59%, the notable decrease from the previous year suggests that agencies are developing more sophisticated approaches to workforce management. This adaptation signals an industry learning to operate more effectively within workforce constraints rather than waiting for external solutions.

More telling is the emergence of new strategic priorities. New Client Attraction has risen to the fourth position in our rankings, while Office Team Effectiveness has gained similar prominence. This shift indicates an industry moving beyond a singular focus on staffing toward comprehensive operational excellence. The change reflects a growing recognition that sustainable growth requires mastery across multiple operational dimensions.

Enterprise Companies particularly exemplify this evolution, placing equal emphasis on Regulatory Compliance and Operational Systems Efficiency alongside traditional staffing challenges. Their approach suggests a future where workforce management, while still crucial, becomes one component of a more sophisticated operational strategy.



Rising Costs, Labor Market Conditions, & Economic Pressures Are Reshaping Home Care

This year the number one trend hindering growth is the increasing cost of home care to consumers, followed by the rising costs of staff, supplies, and services.

This suggests that the economics of home care appear to be undergoing a fundamental shift and that home care leaders have a growing concern about the cost of home care to the consumer and at what point consumers may no longer be able to afford care in the home.

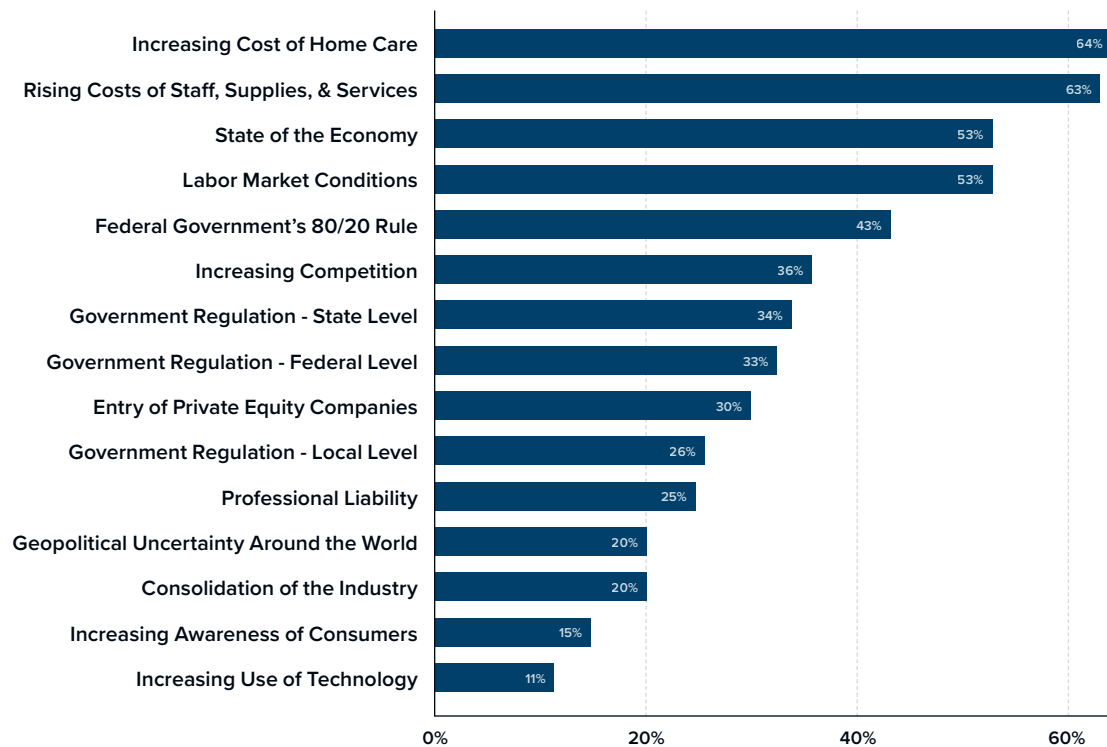
The focus on affordability is reshaping how agencies approach everything from service packaging to technology adoption, suggesting a future where innovative delivery models become key competitive differentiators.

Enterprise companies particularly demonstrate distinct priorities, elevating the Federal Government's 80/20 Rule to their fourth most significant concern while moving Increasing Competition down to tenth. These larger organizations also show a balanced perspective on major industry pressures, with the top four trends all carrying equal weight at 50%.

There are a number of external forces and trends that are shaping the future of Home Care. Often these forces are out of your control, but hinder your ability to grow your business.

Rate how much each factor will hinder your business growth in the next five years on a scale of 1 - 5, where 1 = not no hindrance and 5 = an extreme hindrance.

Graph % represents responses of 4 and 5



Driving Growth Through Geographic Expansion & Specialized Services

The key message from this question is: "Stick to Your Knitting" - in other words, focus on what you do best. The majority of respondents said the greatest opportunity for growth in the next five years is to do a much better job serving clients and referral partners in their current market with their current services.

As companies grow, there is an increased interest in expanding into new geography. For these larger companies, that expansion is often accomplished by acquiring other companies.

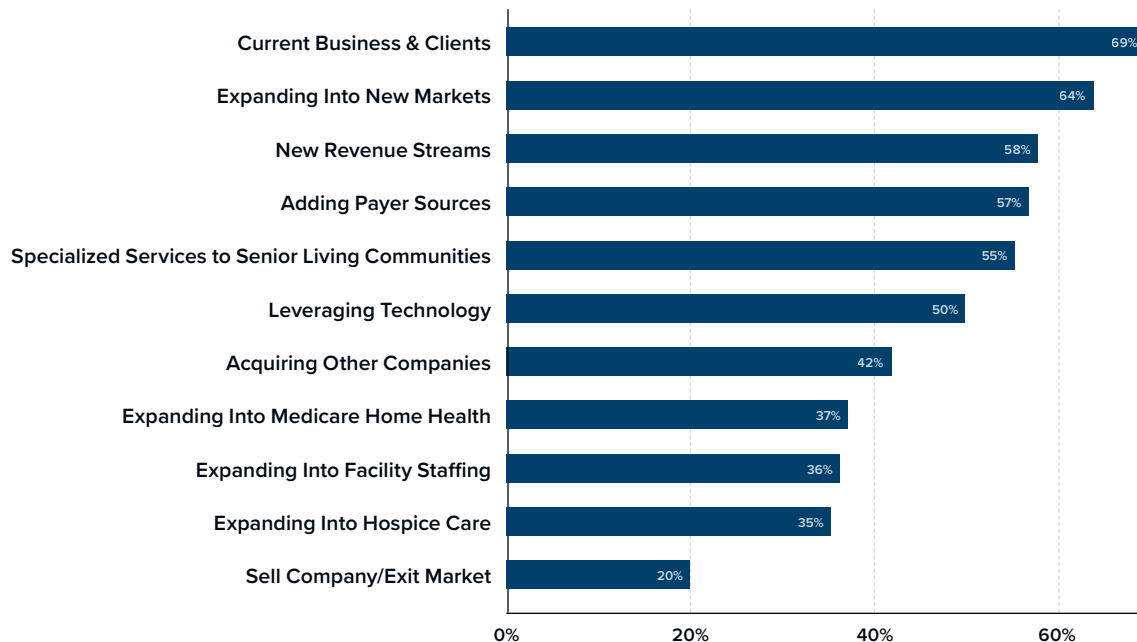
The data shows that the third greatest opportunity is in adding new revenue streams, and this topic has been a conversation among leaders of larger companies at association conferences and mastermind meetings. This is closely linked to opportunity number four, which is adding new payer sources.

For the 2025 survey we added some new options for this question. New choices included offering specialized services to senior living communities and expanding into other lines of business, including Medicare Home Health, Medicare Hospice, and Facility Staffing. We also offered the option of exiting the home care business by selling the company. This last choice was dead last in their ranking.

What do you see as the greatest growth opportunities for Home Care companies in the next five years? Rate each point on a scale of 1 to 5 based on where you are today.

Rate each growth opportunity for your business in the next five years on a scale of 1 - 5, where 1 = no growth opportunity and 5 = extremely high growth opportunity

Graph % represents responses of 4 and 5



Payer Source Strategy Shows Market Evolution

The conversation around payment source diversification has evolved, moving from theoretical discussion to strategic implementation. While private pay continues to lead growth opportunities, with 68% of agencies seeing significant potential, the landscape shows increasing complexity and sophistication.

A notable shift appears in how different-sized organizations approach revenue diversity. Median-Sized Companies have elevated the role of trust officers and advisors in their growth strategies, while Enterprise Companies now prioritize VA services and Long-Term Care Insurance above traditional private pay sources. Enterprise Companies have taken yet another approach, focusing on MCO relationships while de-emphasizing Medicaid services.

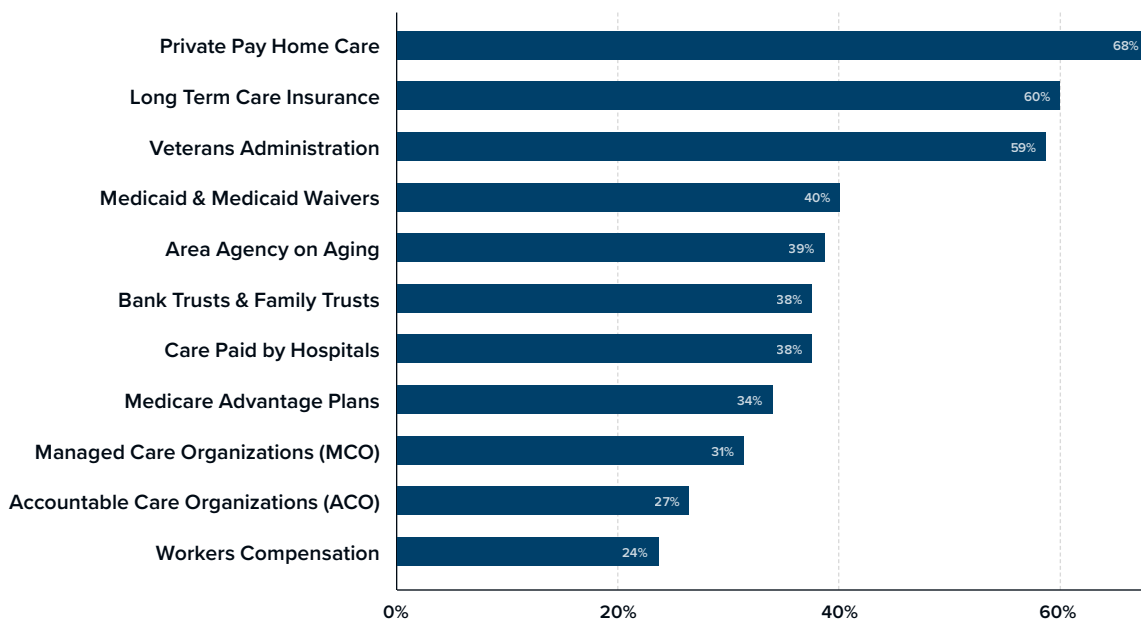
This stratification reflects growing recognition that payment diversity must align with organizational capabilities and market position. However, it also raises important questions about the future of home care affordability. As service costs rise, agencies across all segments must balance revenue optimization with market accessibility, considering how different payment sources can help bridge potential gaps in care delivery.

The data further reveals distinctions in how various sized companies see these payer sources somewhat differently. Median-Sized Companies are more focused on wealth management relationships, ranking Bank Trusts & Family Trusts as the fourth most promising payer source, up from sixth position. Enterprise Companies moved MCOs to the fourth most significant opportunity while shifting Medicaid & Medicaid Waivers down to eighth position.

Based on your current business model, which payer sources will provide the greatest opportunity for growth in the next five years?

Rate each payer source's growth potential for your business in the next five years on a scale of 1 - 5, where 1 = no opportunity for growth and 5 = extremely high opportunity for growth

Graph % represents responses of 4 and 5

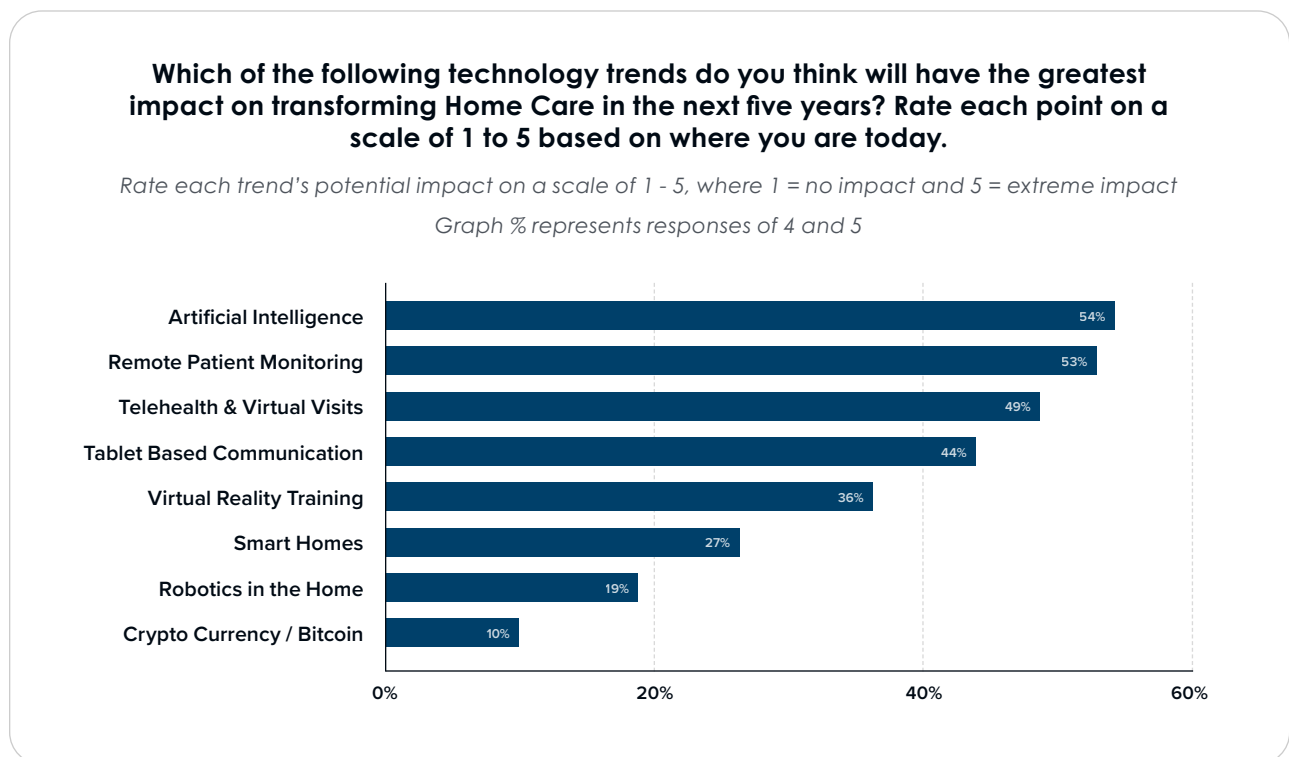


Embracing Technology: AI, Analytics, & Telehealth in Home Care

One of the most notable home care industry trends is the evolution in technology adoption. While [AI](#) remains important, its perceived impact has moderated to 53%.

[Remote Patient Monitoring](#) and Telehealth & Virtual Visits have emerged as key strategic priorities, with 53% and 49% of agencies respectively seeing these as crucial technologies. This reprioritization suggests a growing emphasis on technologies that directly enhance care delivery and operational efficiency.

Company size continues to influence technology adoption patterns. Enterprise Companies lead in sophisticated integration strategies, while Medicaid-focused providers show distinct priorities around EVV implementation (51% expressing high concern). This variation suggests an industry learning to align technology adoption with specific operational needs rather than pursuing technology for its own sake.



Medicaid Companies Have Concerns About Electronic Visit Verification

This year we added questions for companies that receive a majority of their revenue from Medicaid. New federal government regulations require Medicaid providers to use EVV to ensure visit integrity.

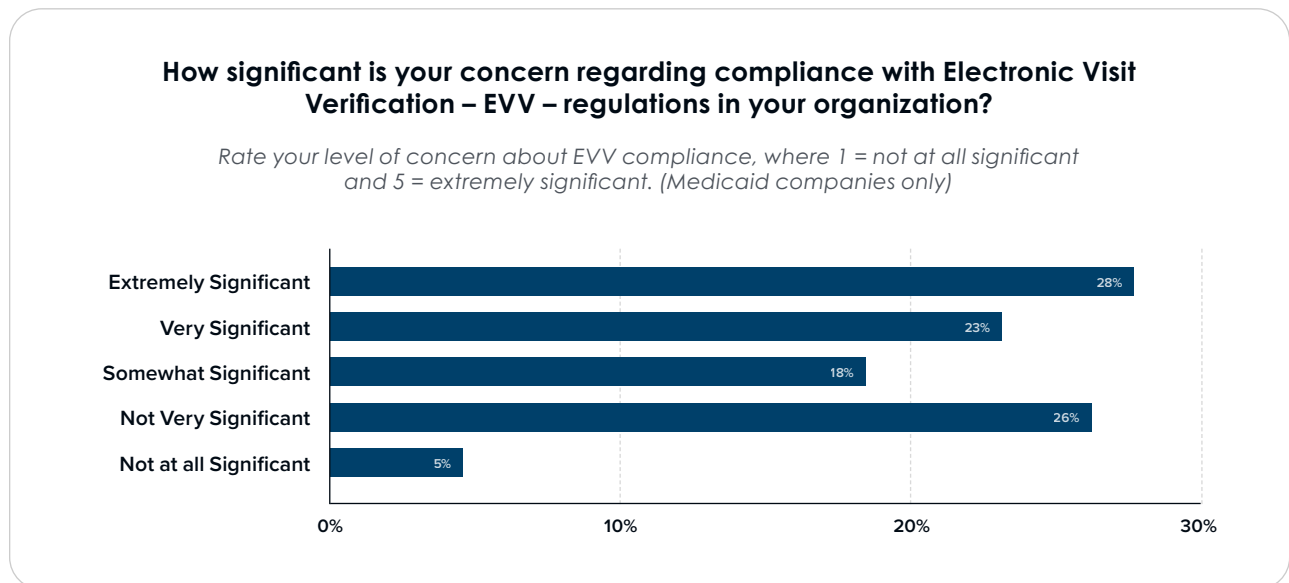
Our first question asked about their level of concern about the implementation of EVV. We found that 28% are extremely concerned and 23% are very concerned.

These concerns stem from both operational and compliance perspectives. The data reveals a complex web of challenges:

- 86% prioritize streamlining caregiver clock-in processes, recognizing this as crucial for staff satisfaction and compliance
- 83% focus on preventing reimbursement delays, highlighting the direct financial impact of EVV implementation
- 80% struggle with evolving regulatory requirements, indicating the need for ongoing system adaptation
- 77% face challenges with software integration, suggesting technological hurdles remain significant
- 73% report increased administrative burden, pointing to operational efficiency challenges

This hierarchy of concerns reveals that successful EVV implementation requires more than technical solutions – it demands a comprehensive approach to operational transformation. The high percentage of providers expressing concern across multiple dimensions suggests that EVV implementation serves not only as a compliance challenge, but as a catalyst for transforming how agencies deliver, document, and verify care.

The concentration of concerns around caregiver interaction with EVV systems (86%) particularly highlights the need to balance compliance requirements with practical usability. This suggests that successful EVV implementation will require agencies to focus not just on meeting regulatory requirements, but on developing systems that enhance rather than hinder care delivery.

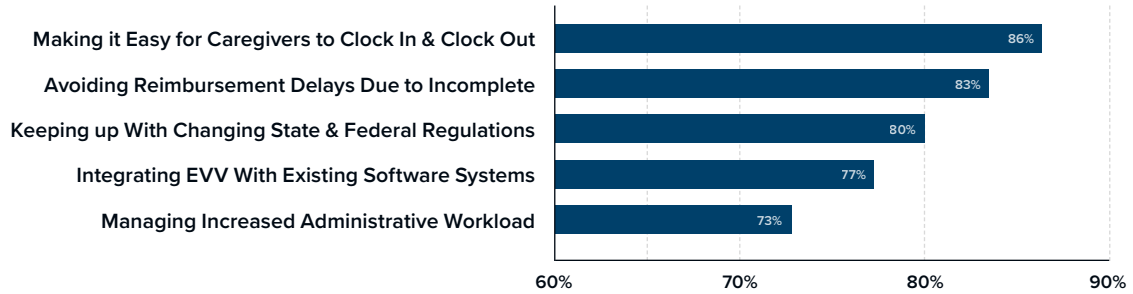


Medicaid Companies Have Concerns About Electronic Visit Verification (Cont.)

How important is each of these issues when it comes to implementing Electronic Visit Verification?

Rate the importance of each EVV implementation issue on a scale of 1 - 5, where 1 = not important and 5 = extremely important

Graph % represents responses of 4 and 5 (Medicaid companies only)



The Future of Home Care

Our 2025 survey reveals emerging home care industry trends, showing a sector increasingly focused on operational excellence. While familiar challenges persist – with caregiver shortages affecting 59% of agencies – the response to these challenges shows increasing sophistication. Agencies are prioritizing scheduling optimization, developing more nuanced approaches to workforce management, and embracing practical technology solutions rather than chasing theoretical possibilities. Most telling is the shift toward market optimization, with 69% of participants focusing on excellence in current markets.

This evolution sets the stage for a critical question: How can home care agencies best position themselves for success in this changing landscape? The answer lies in thoughtful, strategic adaptation to these emerging trends.

Call to Action

With any type of research like this, there is a big question that looms: **So What?**

What are we going to do with this information, and how can we use it to help us grow our business and get ready for the future?

Here are seven specific recommendations for action you can take in response to this study:

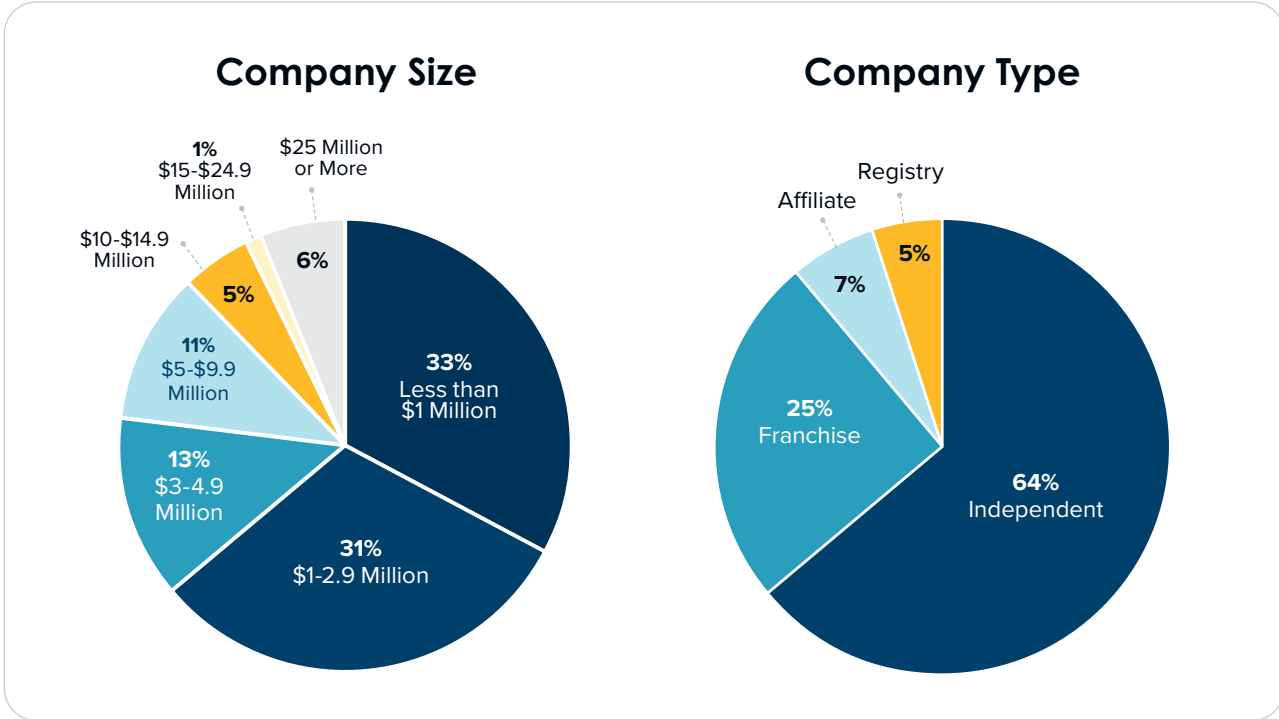
1. Look at your own 12 systems and look for areas where you can improve your systems and use technology to automate your business.
2. Share this study with your leadership team and discuss each member's "Pain Points." What can you do as a team to alleviate your pain?
3. Look at the industry trends and decide what you can do to learn more about them and how they will affect your business.
4. Revisit your five-year vision and talk with your team about what you see your business looking like in five years. Discuss the greatest growth opportunities for you.
5. Do some analysis of your revenue model and explore the opportunities presented by other payer sources.
6. Examine the technology trends and learn more about how you can apply technology to grow your business.
7. Look at what other companies are doing and what you can learn from the experience of others.

Survey Methodology & Participant Demographics

In the winter of 2024, an online survey was sent to home agency owners, executives, and employees working in the home care industry. A total of 256 qualified participants completed the survey. This is an increase of 25% compared to the 2024 survey. Participants included a mix of roles and agency sizes. Questions were asked on various topics related to the current state and future of home care. Due to rounding, certain graph options may not add up to exactly 100%.

Participants by Company Type

- There are four major types of home care companies. The largest number are independent companies owned by individuals, couples, partners, or investors. They are not part of a franchise system or affiliated with any other organizations.
- Franchises are home care companies that are part of a franchise system, where they receive training, support, and engagement and use the franchise system brand.
- Affiliated home care companies are providers that are owned by or affiliated with a home health agency, hospice, senior living community, or hospital system.
- Registries are home care companies that do not employ their caregivers but work with independent contractors and provide their contract caregivers with an IRS form 1099 to report taxable income.
- Participation in this survey was weighted toward independent agencies and with a strong participation by franchises.

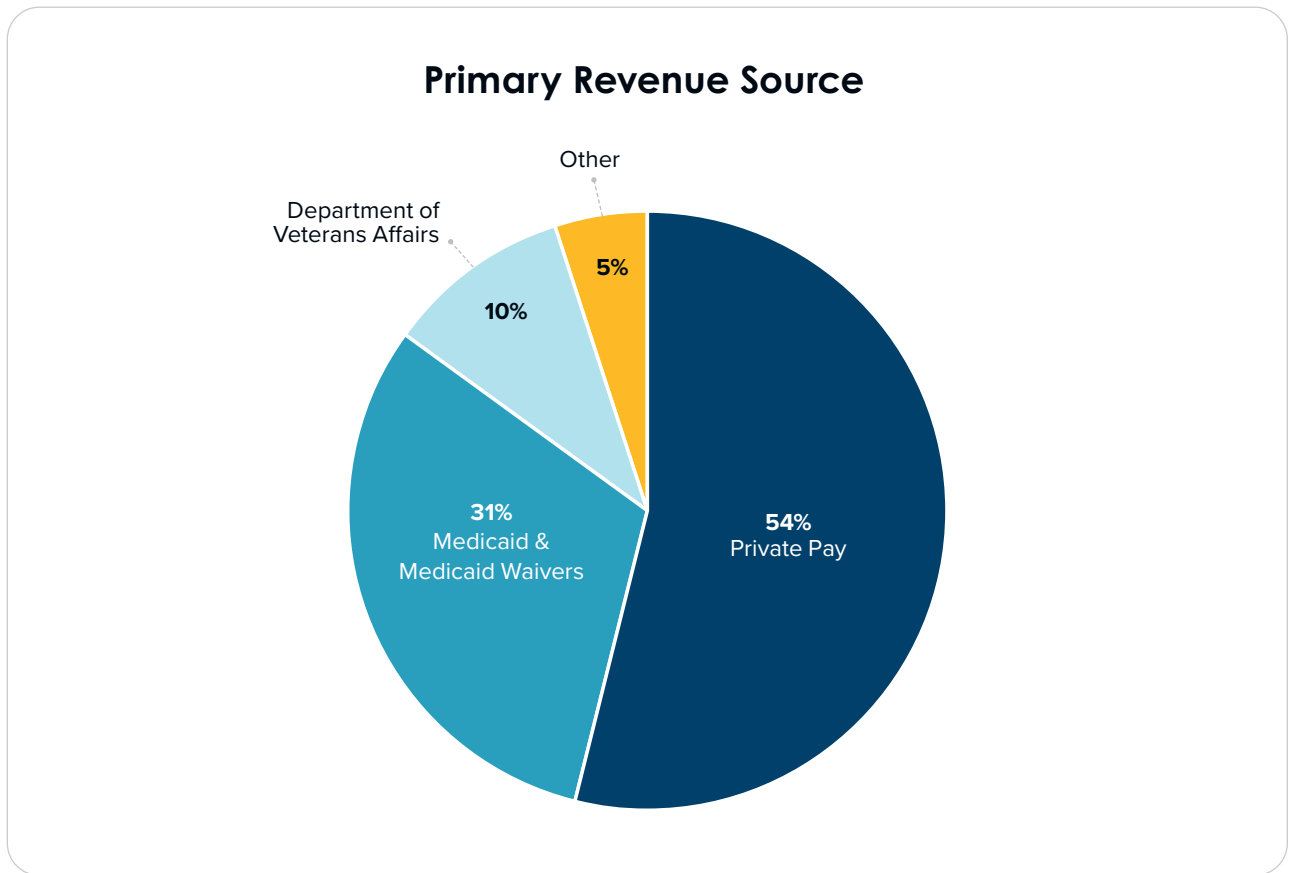


Participants by Primary Revenue Source

Over the past few years, Leading Home Care has recognized that home care companies fall into two categories: those who earn a majority of their revenue from private pay and those who earn a majority of their revenue from Medicaid and Medicaid Waiver. We divided the survey respondents by majority payer source. From this survey, we learned of a third category: companies that earn most of their revenue from services to military veterans through the U.S. Department of Veterans Affairs.

- Private Pay – 54 %
- Medicaid and Medicaid Waivers – 31%
- Department of Veterans Affairs – 10%
- Other – 5%

This information is significant in that the financial performance and statistical analysis of companies are significantly different between companies that focus on private pay and those that focus on Medicaid. We are still learning more about those companies that focus on VA.



About AxisCare

As the industry's leading all-in-one home care software solution for both single and multi-location home care agencies, AxisCare provides back-office scheduling and point-of-care solutions that help agencies in all 50 states and four countries. Specializing in Private Pay, Medicaid, VA Billing, and full-service Payroll, AxisCare's state-of-the-art platform helps agencies track essential growth metrics, maintain a healthy cash flow, achieve effortless compliance, and gain full control of their operations so agencies can scale while staying focused on what matters most – providing the best care possible. For more information, visit axiscare.com.

About Leading Home Care ... a Tweed Jeffries company

Leading Home Care is a consulting, publishing, and research firm that has been serving the Home Care Industry since 2002. Founded by Stephen Tweed and Elizabeth Jeffries, Leading Home Care has developed a pattern of serving the Home Care Industry by identifying trends and challenges facing company leaders, conducting industry research, and finding solutions. They then present their solutions and the supporting data through keynote speeches, learning seminars, online learning programs, eBooks, eTools, and research reports. In 2013, Leading Home Care introduced the Mastermind Concept to the Home Care Industry and started the first Home Care CEO Mastermind Group. This led to founding the Home Care CEO Forum. Leading Home Care can be reached at leadinghomecare.com.
