



WHITE PAPER

The Future of Home Care

A 2026 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 is in transition, as evidenced by the shifting factors affecting the future of our industry. In its third annual survey sponsored by AxisCare, Leading Home Care ... a Tweed Jeffries company surveyed more than 300 U.S.-based home care industry leaders in the fall of 2025, an increase from the previous year, reflecting broader engagement across the sector. The goal of the survey is to see the trends shaping the future of home care and to identify patterns year over year, providing actionable insights for agency leaders.

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 million 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.

It is difficult to know exactly how many companies serve the home care industry as there are only 30 states that license home care companies. There are 20 states with no licensure, which makes it unclear how many companies operate in these states. This complexity underscores the importance of surveys like this, which provide a clearer picture of operational trends, growth opportunities, and sector priorities.

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.*

This data highlights the diversity of the industry, from small independent operators to large franchises and affiliated companies. By understanding the distribution and scale of these providers, agency leaders can better contextualize survey findings and benchmark strategies across industry peers.

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

Key Findings

Pain points for home care leaders are shifting

When asked about the top pain points interfering with agency growth, leaders reported several notable changes:

- Concerns about caregiver shortage, while still the number one pain point, has decreased from 59% to 53%, suggesting improved recruitment and retention strategies
- Concerns over profitability have increased drastically from 13% to 34%, indicating a major economic shift
- 34% of respondents are concerned about revenue growth
- Concerns of new client attraction have decreased slightly from 33% to 31%
- Perceived office team effectiveness has decreased significantly from 31% to 19%
- Enterprise Companies see caregiver shortages as their biggest concern

Artificial Intelligence (AI) remains the number one technology trend as adoption accelerates

When asked which AI applications will have the greatest impact on the home care industry over the next five years, the results highlighted several key areas:

- 64% of respondents believe the most impactful use of AI will be client and caregiver shift matching and automatic scheduling
- AI applications focusing on caregivers, including utilization (62%), engagement and retention (56%), and recruiting funnel optimization (55%) are expected to enhance the overall caregiver experience, supporting workforce stability
- Leaders also anticipate meaningful impact from client and family communication (54%), client change-of-condition monitoring (53%), and sales and marketing message design (52%)
- Enterprise Companies see the use for AI a bit differently, with 69% believing it will have the greatest impact on caregiver engagement and retention

Home care leaders expect the One Big Beautiful Bill to significantly impact their businesses

When asked how the One Big Beautiful Bill might hinder company growth, agency leaders noted several significant concerns:

- More than 45% of respondents believe it will have a very large or huge impact on their ability to scale
- 55% identified the reduction in the Medicaid provider tax as having the greatest hindrance on home care operations
- 51% noted the restrictions on higher payments in Medicaid expansion states, along with cost-sharing for adults in Medicaid in expansion states, as the second and third most impactful implications
- Enterprise Companies also see the One Big Beautiful Bill having a very large or huge impact on their ability to scale, and Medicaid provider tax was also listed as having the largest impact with 68%

Key Findings (Cont.)

Growth opportunities are shifting in home care

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

- 65% see the top opportunity in improving performance within their current market and attracting new clients
- 52% highlighted leveraging technology to increase operational efficiency
- 51% noted expanding into new geographic markets, a decrease from 64% in the previous year
- 49% reported using AI to increase speed, save time, and reduce costs
- Enterprise Companies also see improving performance within their current market and attracting new clients as the greatest growth opportunity

Trends hindering growth are closely tied to rising home care costs

When asked about the external forces and trends outside their control that hinder their ability to grow, agency leaders reported the following:

- Concern about the rising costs of staff, supplies, and services remained the top issue, though it decreased slightly from 63% to 61%
- Worries about increasing operational costs dropped from 64% to 59%, suggesting mild stabilization but continued pressure on margins
- 49% of leaders believe the state of the economy will impact their businesses
- Enterprise Companies see the state of the economy as the largest hindrance to the scaling of their businesses, with more than 56% in agreement

Detailed Findings

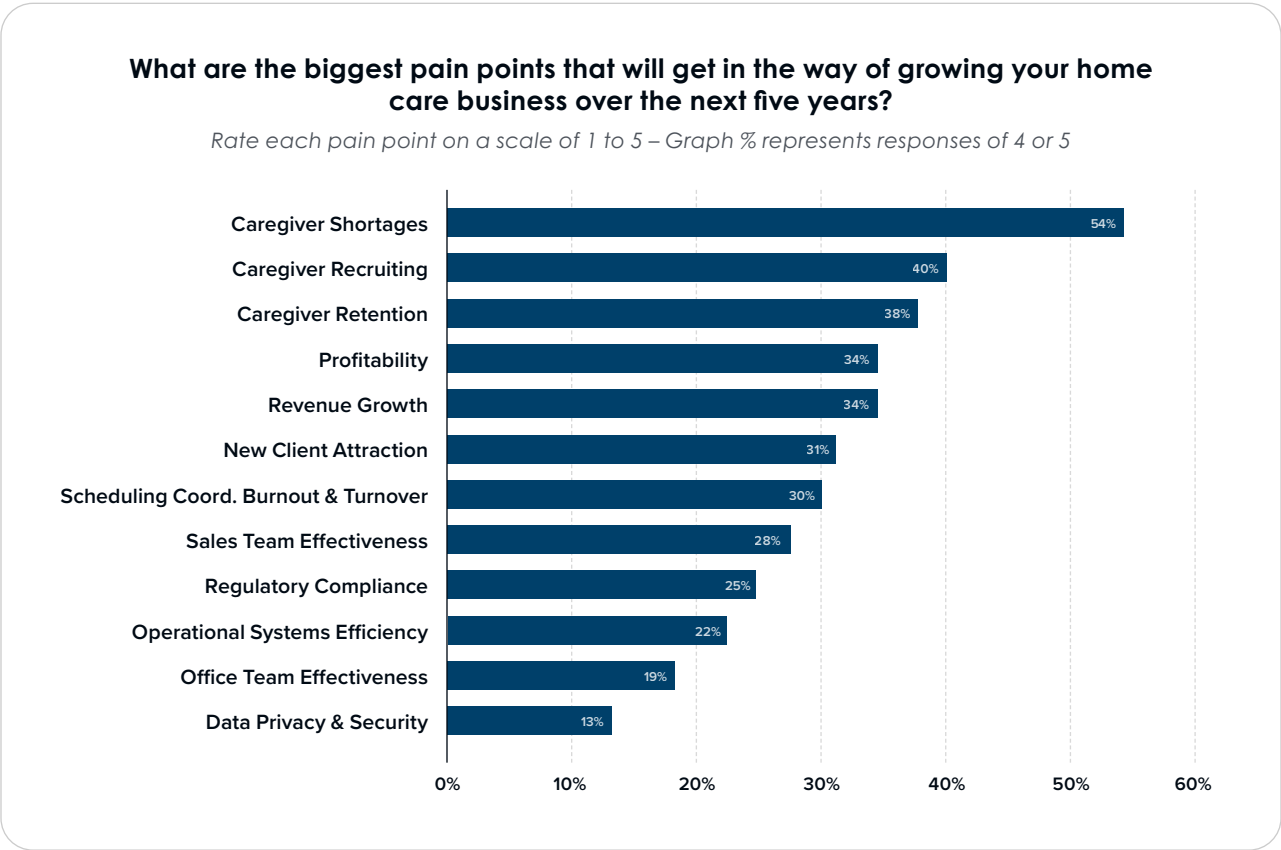
Pain Points Are Shifting, Prompting Leaders to Refocus Priorities

From 2025 to 2026, caregiver-related challenges remain the most pressing concerns for home care leaders. The share of respondents citing caregiver shortages as a top pain point declined from 59% to 53%, suggesting some progress in recruitment and retention strategies. Caregiver recruiting and retention continue to rank highly, underscoring persistent workforce pressures across the industry.

Notably, the focus of pain points beyond staffing has shifted. Profitability concerns rose sharply from 13% to 34%, while revenue growth was cited by 34% of leaders as a key challenge. At the same time, issues around attracting new clients have slightly eased, falling from 33% to 31%, and office team effectiveness concerns dropped from 31% to 19%. This indicates that agencies are increasingly prioritizing financial performance alongside operational stability.

Enterprise Companies reported an even more significant change. For these organizations, profitability rose above caregiver retention to 45%, suggesting that larger agencies may be feeling the economic impact of scale more acutely than smaller providers.

This shift reflects an industry that is still struggling with workforce challenges but is increasingly focused on financial resilience and sustainable growth.



Artificial Intelligence Is the Leading Technology Trend & Will Reshape How We Do Home Care

According to the survey results, Artificial Intelligence (AI) is poised to transform home care across three levels: individual tasks, organizational systems, and the broader competitive ecosystem. Leaders increasingly view AI not as a future innovation but as an essential component of how agencies will operate, scale, and differentiate.

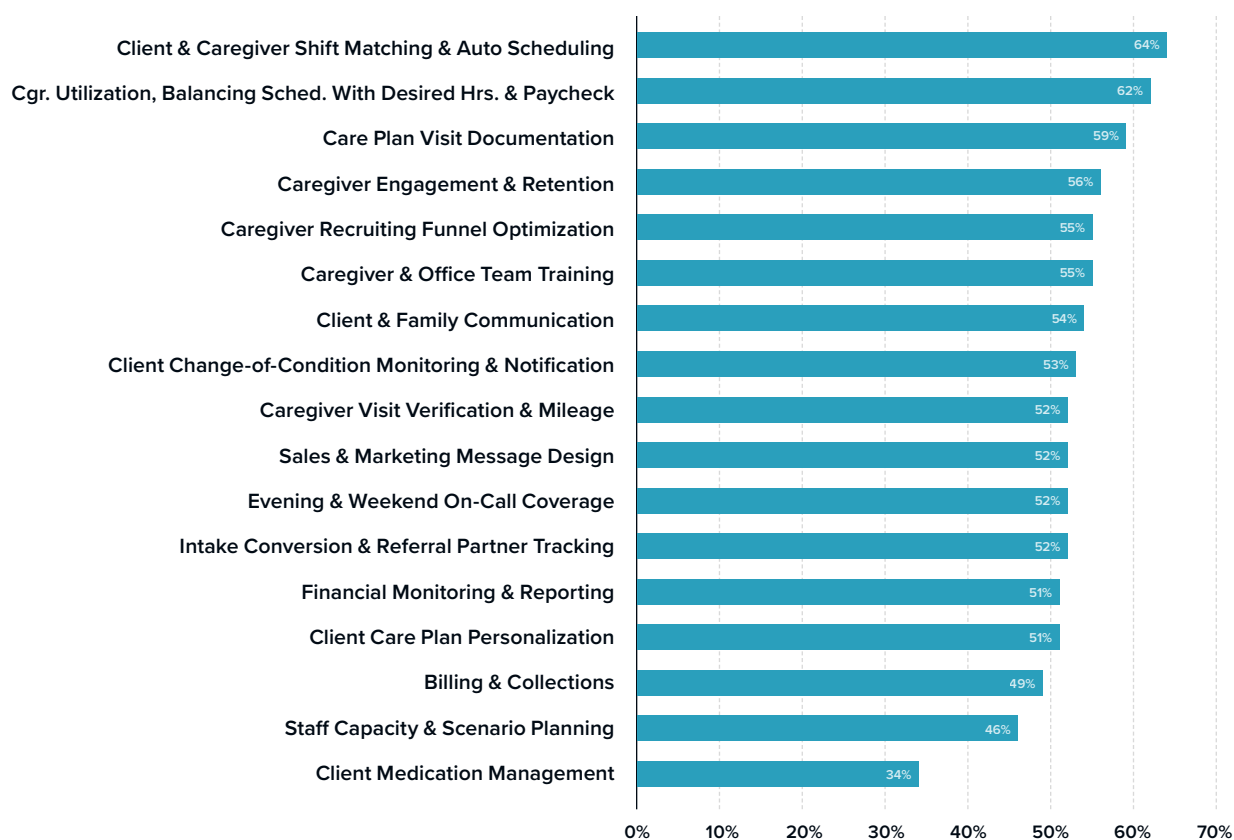
Survey results highlight where AI is expected to make the most immediate impact. Sixty-four percent of respondents identified client and caregiver shift matching and automated scheduling as the top application, followed closely by workforce utilization (62%) and improvements in caregiver engagement and retention (56%). Optimizing the recruiting funnel was also cited by 55% of leaders as a key AI-driven improvement.

Beyond workforce management, AI is expected to enhance client-facing and operational systems. More than half of respondents anticipate a meaningful impact in client and family communication (54%).

Enterprise Companies anticipate AI supporting even more advanced functions, with 69% reporting that the greatest impact will be on caregiver engagement and retention, reflecting their scale and operational priorities.

Which of the following applications of Artificial Intelligence do you see having the greatest positive impact on the future of home care over the next five years?

Rate each pain point on a scale of 1 to 5 – Graph % represents responses of 4 or 5

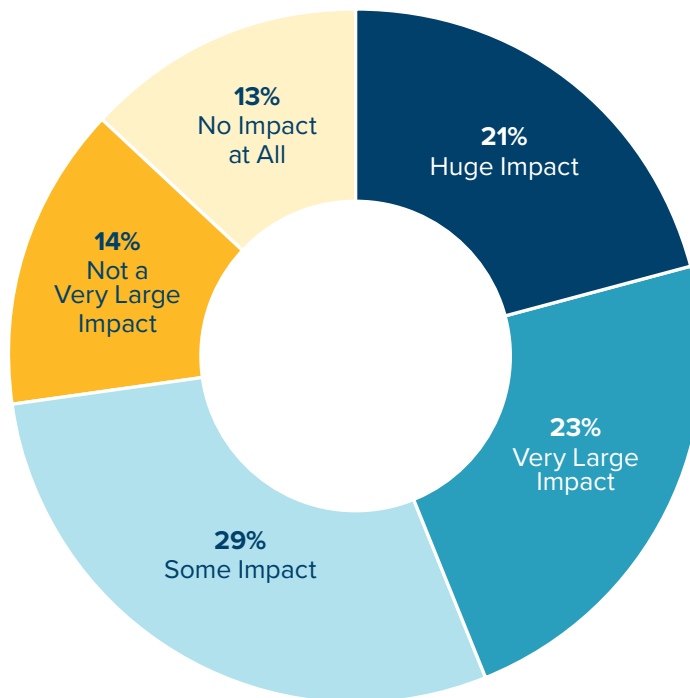


The One Big Beautiful Bill Will Impact the Future of Home Care, Particularly for Medicaid-Focused Agencies

The One Big Beautiful Bill passed by Congress includes several provisions expected to affect the home care industry. Agency leaders report concerns ranging from some impact to huge impact, reflecting the potential operational and financial impact of these policy changes. More than 44% of respondents believe it will have a very large or huge impact on their ability to grow.

Overall, how much impact do you think the One Big Beautiful Bill will have on your ability to grow your home care business?

Rate on a Scale of 1 to 5



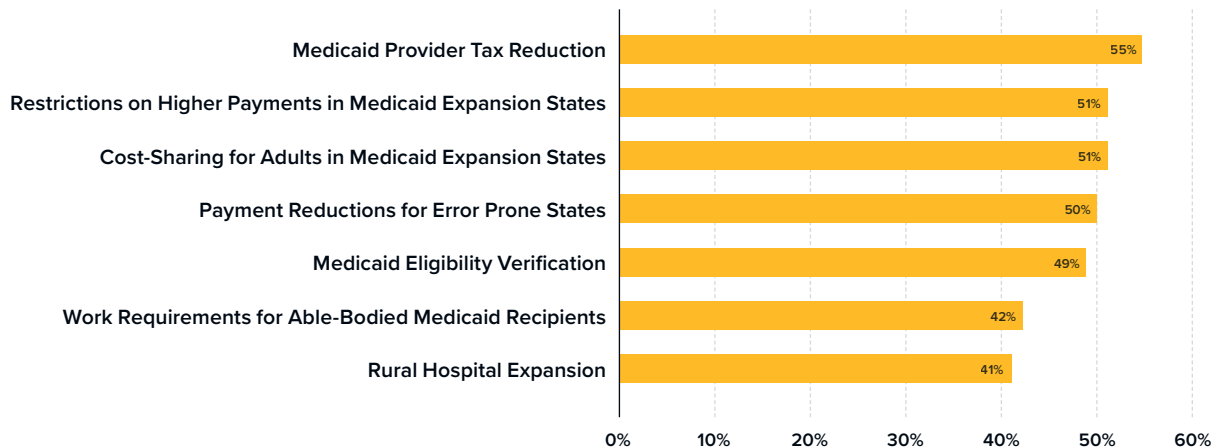
The One Big Beautiful Bill Will Impact the Future of Home Care, Particularly for Medicaid-Focused Agencies (Cont.)

The elements of the bill identified as having the greatest impact include reductions in Medicaid provider taxes, restrictions on higher payments in Medicaid expansion states, and cost-sharing requirements for adults in expansion states. Fifty-five percent of respondents identified the reduction in Medicaid provider taxes as having the greatest effect on home care operations, while 51% noted restrictions on higher payments and cost-sharing as the second and third most impactful implications.

Enterprise Companies, which are often heavily focused on Medicaid, also expressed concern about changes to eligibility verification and timing for current Medicaid beneficiaries, underscoring the complexity of managing compliance alongside growth objectives. Sixty-eight percent of enterprise leaders listed Medicaid provider tax as having the largest impact, and they also see the bill having a very large or huge impact on their ability to scale.

Which of the following elements of the One Big Beautiful Bill will have the greatest impact on home care?

Rate each pain point on a scale of 1 to 5 – Graph % represents responses of 4 or 5



The Rising Costs of Home Care Are a Key Trend Hindering Agency Growth

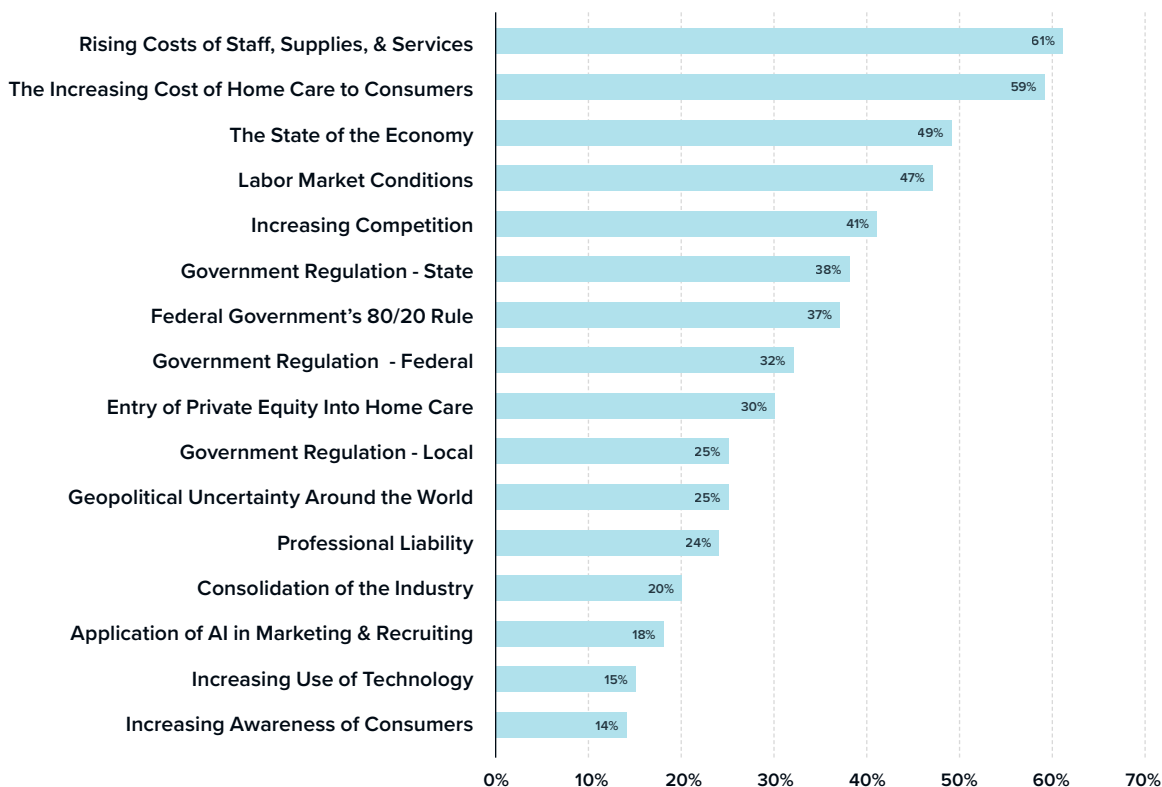
Home care leaders across the U.S. are concerned about the rising costs of staff, supplies, and services, which are directly affecting agency margins. Profitability, already identified as a top pain point, remains closely tied to these cost pressures. Sixty-one percent of respondents cited rising costs of staff, supplies, and services as a top issue affecting their agency's growth.

Leaders noted that increasing costs for consumers could reduce the size of the potential market, as fewer individuals and families will be able to afford private pay home care. Worries about overall operational costs have decreased from 64% to 59%, suggesting some stabilization but continued pressure on margins. Beyond costs, the overall state of the economy and labor market have the potential to hinder growth. Nearly half of respondents (49%) indicated that the state of the economy could impact their business.

Enterprise Companies are particularly concerned about the state of the economy and evolving government regulations as compared to smaller agencies, with more than 56% of enterprise leaders citing the state of the economy as a significant hindrance to growth.

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 each point on a scale of 1 to 5 - Graph % represents responses of 4 or 5



Growth Opportunities Are Evolving With a New Focus on Technology & AI

Year over year, home care leaders reported seeing the greatest opportunities for growth in improving performance within their current markets using their existing business model, with 65% of respondents identifying this as their top growth opportunity. Part of this strategy will include the use of AI to improve speed, save time, and reduce costs, which 49% of leaders highlighted as a key opportunity.

Leaders across the industry are increasingly using technology, including AI, to optimize operational efficiency and enhance both caregiver and client experiences, with 52% of respondents noting technology as a major driver for increased efficiency.

Top-tier companies also continue to consider geographic expansion as a part of their growth strategy, though this statistic has slightly decreased to 51% from 64% in the previous study. Enterprise Companies are more likely to prioritize entering new markets compared with smaller agencies.

What do you see as the greatest growth opportunities for home care companies in the next five years?

Rate each pain point on a scale of 1 to 5 – Graph % represents responses of 4 or 5



Concerns Over Electronic Visit Verification Loom Large for Medicaid-Focused Agencies

Electronic Visit Verification (EVV) remains a major concern for Medicaid-focused agencies. More than 77% of leaders agree that ease of use, consistency, and integration with existing software systems as the most important factors to successful EVV implementation.

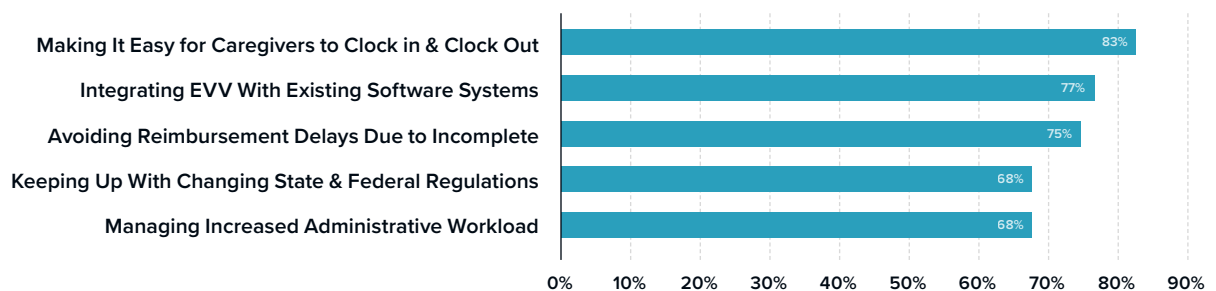
In addition to these operational challenges, 75% of agencies are increasingly concerned about reimbursement delays and the validation of beneficiary eligibility.

Enterprise Companies share the same priorities and challenges as smaller Medicaid-focused agencies, indicating that these issues are industry-wide rather than limited by company size.

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

Rate each pain point on a scale of 1 to 5

Graph % represents Medicaid companies only rating the issue a 4 or a 5



System Priorities Are Shifting for the Most Important Home Care Operations

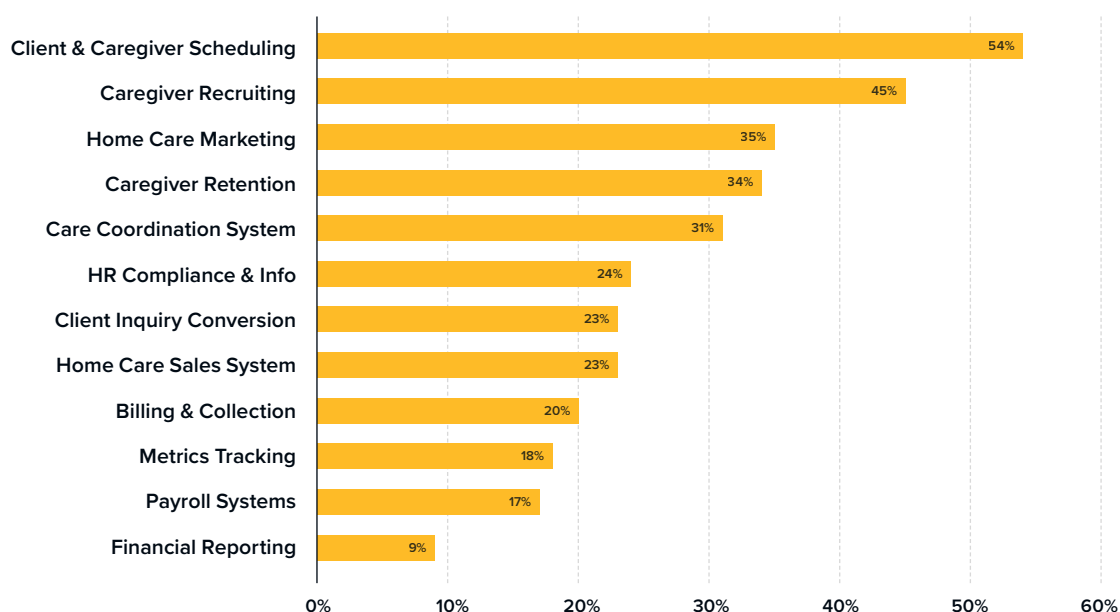
A key factor in scaling a home care agency is the implementation of systems that provide repetition and consistency in both tasks and procedures. Well-defined systems allow agencies to operate efficiently, maintain quality, and support sustainable growth.

At the top of the list for refinement is the system for caregiver and client matching and scheduling with 54% of respondents noting it as the most important system. Optimizing this system is critical, as scheduling inefficiencies are a major source of frustration, burnout, and turnover among staff, according to data from other studies conducted by Leading Home Care and AxisCare.

Enterprise Companies report the same priorities as smaller agencies, with 43% reporting efficient scheduling and matching systems as the most important system, thus showing it as a universal concern across organizations of all sizes.

Which of the following 12 systems do you feel are most important for you to leverage in the future to scale your home care company?

Pick the three most important systems



Payer Sources With the Most Potential Are Shifting

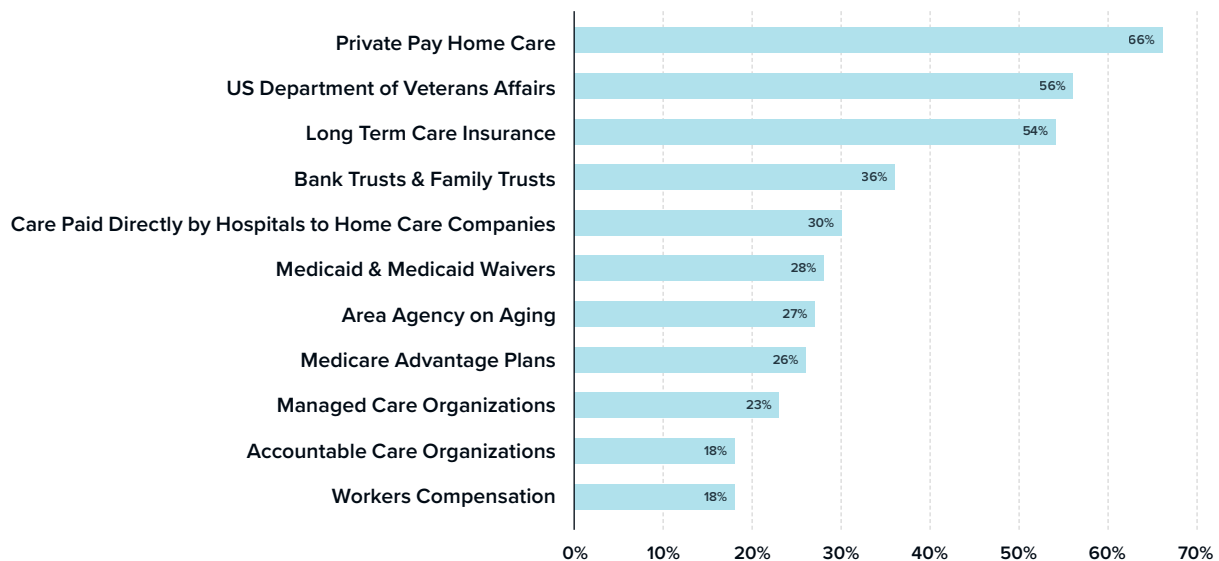
Private pay home care continues to be viewed as the payer source with the greatest opportunity for growth, with 66% noting it as such, reflecting ongoing demand for in-home care services funded directly by clients and families.

Compared to the 2025 survey, Medicaid and Medicaid Waiver opportunities have declined to 28%, while Bank Trusts and Family Trusts have shown growth to 36%. Payments made directly from hospitals to home care agencies, though historically limited, are becoming increasingly significant as more agencies establish partnerships with hospital systems.

Enterprise Companies continue to see potential for growth in Medicaid and Medicaid Waiver, with 50% noting it as the greatest opportunity. This indicates that Medicaid-focused organizations maintain strategic interest in these programs despite overall market trends.

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

Rate each pain point on a scale of 1 to 5 – Graph % represents responses of 4 or 5



The Future of Home Care

This year's survey highlights an industry in transition. While familiar challenges remain, including ongoing caregiver shortages, home care leaders are increasingly focused on revenue growth, profitability, and operational efficiency as rising costs and competitive pressures intensify. The findings reflect a sector that is not only responding to workforce constraints, but also shifting priorities to support sustainable growth.

At the same time, technology, and particularly AI, is emerging as a defining force in the future of home care. Leaders see AI reshaping tasks, systems, and competitive dynamics, while fast-growing companies are doubling down on business development, caregiver recruiting and retention, and clear market differentiation.

Call to Action

Together, these shifts raise an important question: **So What?**

How can agencies use these insights to strengthen their businesses and prepare for what lies ahead?

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

1. Look at your core operating systems and identify where greater consistency, automation, and use of technology or AI can improve efficiency.
2. Share this study with your leadership team and discuss your organization's top pain points, focusing on what can be addressed immediately.
3. Review the industry trends outlined in this report and determine which ones will most directly impact your agency over the next three to five years.
4. Revisit your long-term vision and discuss how your goals for growth, profitability, and scale may need to evolve.
5. Analyze your revenue model and explore opportunities across different payer sources and service offerings.
6. Evaluate emerging technology, including AI, and identify practical ways it can support workforce management, growth, and decision-making.
7. Learn from peer organizations and industry leaders to understand which strategies are driving faster growth and stronger performance.

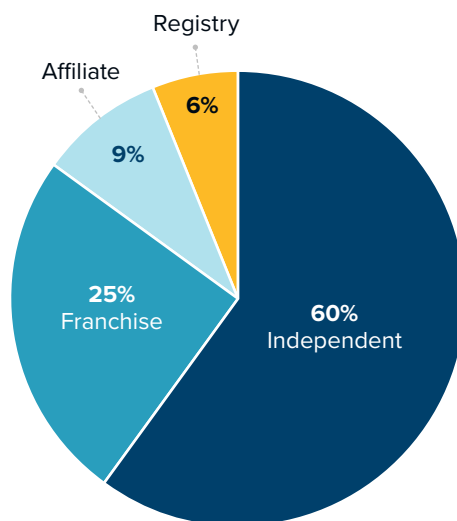
Survey Methodology & Participant Demographics

In the fall of 2025, an online survey was sent to home agency owners, executives, and employees working in the home care industry. A total of 310 qualified participants completed the survey. This is an increase of 21% compared to the 2025 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 caregivers who are independent contractors and provide their contract caregivers an IRS form 1099 to report taxable income.
- Participation in this survey was weighted toward independent agencies and with a strong participation by franchises.

Company Type



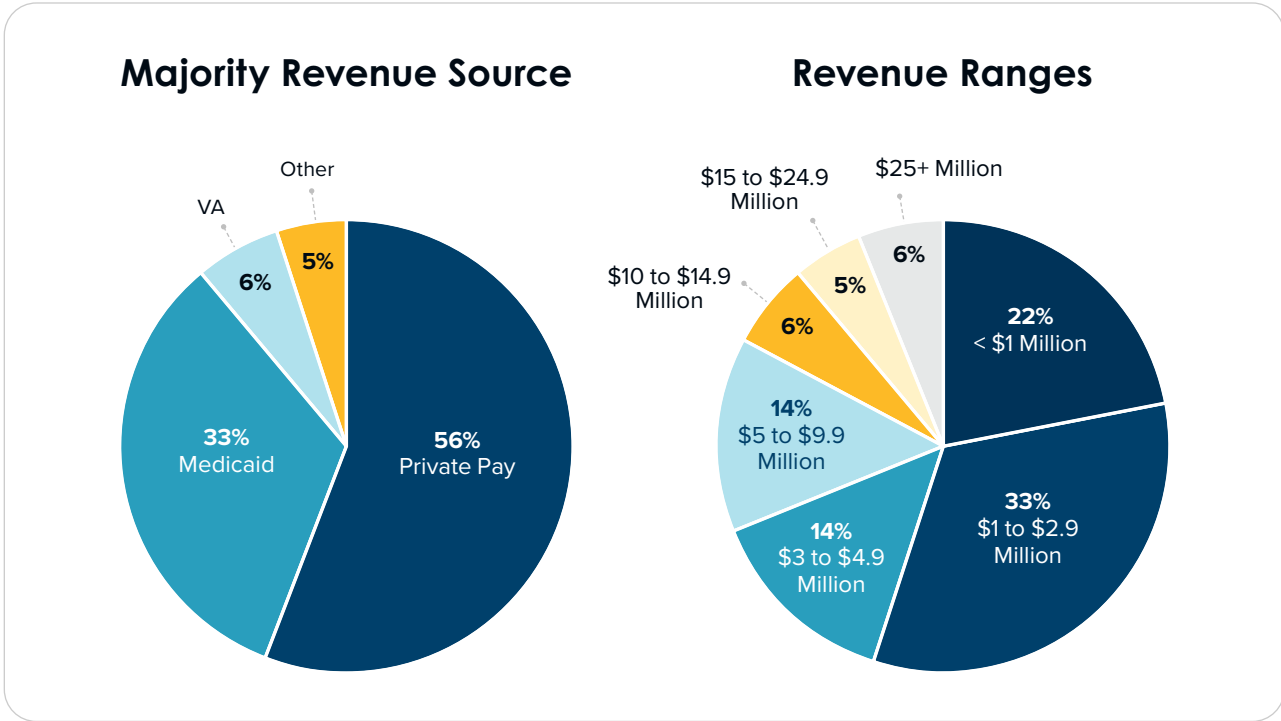
Participants by Primary Revenue Source

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, and that is companies that earn most of their revenue from services to military veterans through the U.S. Department of Veterans Affairs.

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.

Participants by Revenue Range

To get a better understanding of how the factors affecting the future of home care differ by company size, we captured the annual revenue of each respondent. Benchmarking data from Activated Insights showed that the median sized Home Care company in 2024 was \$2,301,088.



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, IDD, 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.
