

House Call Sustainability Model

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Home-based health care is an important part of how many patients receive the care that they need on a regular basis. This is especially true for patients that are restricted to their homes for various reasons. They can still receive the care that they need “as part of ongoing primary care, episodic acute care, and post-acute convalescence or rehabilitation” (Hayashi & Leff, 2012, p. 96). To this end, a new home-based care company, Ace Medical LLC was established in February 2013 to provide patients with a home-based healthcare management solution that is more effective than facility-based care options.

The goal of this company is to improve patient access to healthcare providers, provide resources, and services so that patients can receive better healthcare while being able to stay in their homes. Primary care options for people across the country are changing rapidly. A large number of people are left without the resources, services, and coverage that they need to be able to maintain their health, giving rise to the increased use of emergency services. As a result, people are experiencing lower long-term health outcomes. Rising costs of healthcare are making it cost prohibitive quickly. For the country to return to a course where healthcare is available to and accessible by everyone, the “primary care system must improve its early intervention capability and case management to identify patients in the community” (Walker & Lead, 2011, p. 13). Understanding the need of the hour, Ace Medical LLC provides a comprehensive home-based care solution that includes preventive as well as reactive care services. This comprehensive care model is effective in increasing patients’ access to medical services while reducing their healthcare costs. The company focuses on providing services to patients that are home-bound, especially among the lower socioeconomic groups. This includes patients with limited insurance, patients who are physically and mentally unfit to drive, as well as patients without families or a support system. Ace Medical LLC enables people to access medical resources from their homes.

There is a growing segment of the community that needs home-based healthcare services. Patients become home care patients for a variety of reasons. The majority of this population is elderly patients who develop disabilities over time. Elderly dementia is an example of why an elderly patient would benefit from home care. In many early dementia cases, patients forget to go to medical care appointments or lose the ability to travel safely (Friedrich, 2008).

This research study analyzes the efforts of this home-based health care company and how it is able to continue to offer its services in a changing economy. From a business perspective, the company has proven to be successful and is looking for ways of increasing its reach. This study analyzes its value proposition and provides suggestions for how the company can continue to expand into different communities to provide maximum possible health benefits to one and all.

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I. OVERVIEW

The healthcare industry is changing significantly due to economic, societal, legislative, and professional pressures. As a result, people are receiving less effective medical support at a higher cost. This is slowly decreasing the effectiveness of the health care industry while making it more difficult for patients to get the help that they need. Different organizations, including the government, are noticeably concerned and are working to help people improve their access to healthcare. Unfortunately, there is a segment of the community that is still underserved: the home-bound segment. Many people are unable to leave their homes or travel to medical facilities for their primary, preventive, and managed healthcare services. Lack of awareness about home-health facilities is a leading cause of patients not receiving services. Additionally, there are many patients that are simply unable to drive or secure reliable transportation. In other cases, it is not safe for patients with certain conditions to travel. Different organizations provide assistance in connecting them to service providers.

Government programs exist to provide assistance to patients with home-based healthcare needs. These programs can deliver a level of service that is effective in managing a patient’s total health care needs. For example, Virginia sponsored a home-based care program with Virginia Commonwealth University (VCU) and is working to expand that program by adding pharmacists and other physician specialists to the homecare visit teams (Traynor, 2015). However, many people that need the assistance of such services are often not enrolled in

them for various reasons. Furthermore, many have difficulty enrolling in programs or meeting the associated costs of these programs.

This company provides more than just medical care, it also provides a comprehensive healthcare service solution including preventive medical support for patients. Many customers often do not receive the preventive care that they need to avoid larger medical issues and costs. Preventive care is essential to managing an individual's health since it helps them avoid many of the problems that can arise without preventive care (Ayalon et al, 2010). Many patients struggle to get the supplies that they need for proper preventive care. At times, getting simple supplies like medications, canes, power chairs and other medical equipment can take months. As a result, many patients suffer from injuries or exacerbated medical conditions. This can be prevented with home-based care services that go beyond providing medical assistance.

II. BACKGROUND

The idea of providing healthcare services through house calls is not new. In fact, it was the leading way that people received their healthcare services prior to the 1930's (DeCherrie, Soriano, & Hayashi, 2012). This model allowed patients to receive more personalized care from the same physician which created a more personal connection between patients and their care providers. However, the medical industry moved further away from that model around the end of World War II as a result of a major shortage of physicians and resources. Patients would travel to medical facilities since resources and physicians could be applied more efficiently, similar to the production line methods used in the manufacturing industry. Over the years, this resulted in a slow decrease in the effectiveness of the medical industry in healthcare management, personal service, and customer care management.

The company was founded on the idea that continuous care creates higher quality care, and is critical to the successful healthcare management for patients (Naithani, Gulliford, & Morgan, 2006). By focusing on providing consistent and quality care for customers, the company can make substantial improvements to their overall health. It is also the best business foundation that the company could have since customers rate their healthcare providers based on their ability to provide consistently high-quality healthcare.

The idea to develop the company started when the founder worked for Durable Medical Equipment (DME). DME is a company that delivered medical supplies to home-based healthcare patients. While working for this company, the founder discovered discrepancies in the company's operations that made it ineffective in providing quality care. Patients would receive the medical and equipment supplies months after they needed it which led to several incidents where patients suffered serious injuries and complications. Delay in treatment led to more complex health outcomes of patients. As a result, the founder was motivated to find more efficacious means of providing health services. A small business model to uplift patients from their debilitating medical condition has today expanded past its initial offering.

This company is not the first to return to the home-based healthcare and house call model. It is a growing trend in different communities around the country because it is showing progress in improving the quality of patients' healthcare. As the industry shifts toward home-based care and house calls, there will likely be an increased amount of competition. However, the company is already established and is growing at a surprising rate. Therefore, the company has a significant advantage over the incoming competition.

For the company to continue to be highly successful, it needs refined business management methodologies. The current strategy of expansion is effective, but may not remain effective if the industry changes or experiences a financial crisis. As a result, the company is looking for different ways to develop strategies that will allow it to expand while promising quality care to its patients.

The company was established in 2013 including all of the appropriate business filings for registration and licensure. A substantial investment was needed to establish the company's operational structure. This is because the company needs specific licenses, registrations, and insurance programs to protect itself from liabilities. When the company was founded, it had seven customers enrolled in its home-based care solution services. This included medical supplies delivery as well as physician house call services. Little advertising was needed since the founder was established within the industry. As a result, word-of-mouth referrals helped the company quickly expand to 95 customers. While this method of advertising is important at any level of development, other methods with a wider reach and more substantial investment are needed to continue to facilitate development.

The next several years showed marked improvement for the company's development. Figure 1.1 (shown below) illustrates several years of development including financial outcomes, changes in services, and changes in resources.

Figure 1.1: Business Operations, 2013-2016			
Year	# of Cust./Visits	Revenue	Changes
2013	95 customers	--	95, hired medical director and first PA for home visits
2014	2,100 visits	--	8 staff members including accounting and medical staff
2015	3500 visits	\$700,000	Increased medical staff for home visits
2016	4,800 visits	\$1 million	40 employees, partnerships with other service providers

Figure 1.1: Business Operations, 2013-2016

Since 2013, the company has grown substantially. The most notable changes over this time span are that the company was able to expand its staff to include more medical and non-medical staff to facilitate operations. The business and overall operations of the company are overseen by the founder who serves as the company's CEO. The medical operations are overseen by the Medical Directors, and medical physician with the appropriate credentials and experience to lead medical teams. House calls and related services are made by the company's Physician's Assistant (PA) staff. They are trained to handle a wide range of medical operations that home-bound patients routinely need. The PA staff is appropriately credentialed and their operations are overseen by the Medical Director.

Aside from the medical team, the company employs a range of other staff members to coordinate office and administrative operations. This includes accounting, administrative, and customer account management staff members that are needed to coordinate the daily office operations of the company. The medical team comprises the largest segment of the company since it is directly involved with patient care. The administrative team is directly managed by the CEO.

Staffing the company proved to be a challenge, especially at the early stages of the company's development, given the fact that a large amount of funding was needed to recruit the medical personnel. The salary for the Medical Director would be approximately \$250,000 per year or nearly \$21,000 per month. The CEO was able to negotiate this down to roughly \$12,000 per month which represents substantial savings in the company's operational budget. The average salary for Physician's Assistants is considerably less at \$90,000 per year. Through effective negotiations skills the CEO was able to establish pay rates that allowed the company to be profitable.

The company has significantly expanded its staff size over these years. With a current staff size of 40 employees, the company is able to provide services to a wider service area without overwhelming the medical team. This helps them maintain the level of service that customers expect. The company has developed a strong reputation for its quality service and affordability. It is also well-regarded in the industry and has been able to establish partnerships with various organizations within its operational area. Collaborating with local pharmacies, home health companies, phlebotomists and the Assisted Living Facilities (ALF) enabled the company to offer new services as well. The company is able to offer more cost-effective medicines while adding EKG and X-ray, phlebotomy, and a variety of other managed care services at reasonable prices.

A key part of the company's expansion efforts was to develop several health clinics that can provide additional services that are not available for at-home care. Some procedures, equipment, and services are safer for patients at a qualified medical facility. As a result, the company opened several facilities to accommodate these services. Having these facilities also makes it possible for the company to connect with customers that are not looking for or are unaware of the available home-based healthcare services. By establishing a more traditional facility, the company created a foothold in the market that allows it to improve its customer care, increase its outreach into the community, and generate profits from a larger customer base.

III. SERVICES

The company offers a variety of services that help it offer quality care for home-based healthcare customers. The primary service that the company offers is house calls by PAs. During these visits, PAs offer standard services focused on improving a patient's health. It is the same methodology that physicians use in their practice, but visits are conducted in the patient's home. Using this service, it is possible for a patient to get the preventive and regular care that they need without leaving his/her house. The PA staff is qualified to use standard medical tools to diagnose ailments and provide treatments. They also provide healthcare planning support so that patients can focus on their long-term health as well.

Aside from primary care visits, the company also offers auxiliary services to help with diagnoses and health management. Phlebotomy services are made available through partnerships with other organizations. This allows customers to have blood analyses completed as well as receive intravenous medications administered by

qualified personnel. This is a major benefit as many patients with chronic conditions receive their medication through injections.

The company is slowly expanding its services to include more detailed and technology-oriented analytical services. X-ray and EKG technologies have improved significantly over the past few decades to the point where they can be administered outside of a medical facility. PAs partner with other business partners to acquire the technology and provide diagnostic services involving different technologies that would otherwise be unavailable to home-based healthcare patients.

IV. EXPECTED OUTCOMES

There is a significant shortage of healthcare professionals in the United States. This is especially true in rural and among specialized care workforces. The shortage is mainly due to an increasing population with a decreasing level of healthcare for various reasons. Affordability is among those reasons (Fitzgerald, Coburn, & Dwyer, 2008). As a result, people are not able to receive the healthcare that they need. There is a higher need for services that can connect medical staff with patients in a way that mitigates the prohibitive costs, alleviates travel requirements, and provides a level of organized care that can improve their quality of life. This company is focused on improving patients' health who would otherwise be unable to access the services that they need.

Many home care patients become high-cost users of services since the cost of home care and related emergency services is high. They also receive less preventive care which results in the need for higher cost emergency services. As a result, many patients that should receive home-based care forego that care since they cannot afford the rising costs (Beck et al, 2009). Home-based healthcare patients need ways of reducing the costs of healthcare services. In many cases, they turn to services like emergency care and 9-1-1 services to get the help that they need. Unfortunately, doing so cannot reduce the costs effectively, and overburdens the emergency care system that is already stressed from overuse.

This company's home-based healthcare solutions offer services at a cost that is more affordable than other providers as a way of making healthcare affordable for everyone. The company also partners with the insurance companies to increase the level of coverage for its services. Because of this, more customers can afford the home-based healthcare services that they need to maintain their health.

Projections and Growth Plan

Because of the value that the company can offer to customers, its successful growth, and the expected changes in the healthcare industry, the company is expected to continue to grow over the coming years. Figure 1.2 illustrates the projected growth path for the company. The projections for the fiscal year 2020 serve as a guidepost for the projected growth of the company while the other years set milestones in the company's growth path. To achieve these goals, the company will need to continue to implement its strategy of cost management, quality service, and making industry connections.

Figure 1.2: Business Growth Projections			
Year	Revenue	Employees	Expansions
2017	\$2 million	40	--
2018	\$8 million	60	2 new cities, 2 clinics
2019	\$14 million	75	2 new cities, 5 clinics
2020	\$20 million	100	4 new cities, 10 clinics

Figure 1.2: Business Growth Projections

V. CONCLUSION

Although there are many government programs designed to help patients get the home-based care that they need, it is difficult for many patients to rely on these programs. The National Institute on Aging (NIA) sponsors grants that provide millions of dollars for healthcare funding. Unfortunately, many people do not know about these grants or do not apply for them. These programs are also not enough to protect against the shortfall in funding (Liggins, Pryor, & Bernard, 2010). That is why companies like this home-based care business are essential in helping patients get the home-based care that they need. By making services available, easier to access, and more affordable, people can get the preventative and reactive assistance that they need to manage their healthcare.

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