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No Place Like Home For Health Care?

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The Rough Notes Company, Inc.

"Home is where the heart is" is a cliché that many of us may know. And while it may mean different things to different people, one view of this expression is that home is where people long to be—it's where they feel safe and comfortable. That may be why studies show people are increasingly deciding to receive professional health care in their homes rather than in traditional medical facilities.

Prior to the era of modern medicine, providing medical care for individuals in their own home was relatively popular, and hospitalization was less common than it is now. Today, such care is often provided in hospitals or skilled nursing facilities. However, reports have shown that there has been a growing trend toward reduced hospital stays and that home health care is once again gaining in popularity. What is generally different about current home health care, though, is that in-home care is typically provided by health care companies or professionals rather than friends or family members, which was common in the past.

About home health care

Home care, also often referred to as "in-home care" or "home health care," can include broad medical care given by skilled professionals—doctors and skilled nursing care or physical, occupational, and speech therapy—provided to individuals in their home. Medical services ranging from chemotherapy treatments to blood transfusions to kidney dialysis can also be performed in the home thanks to advances in, and the mobility of, medical technology. However, home care can also involve essential nonmedical care, such as cooking and cleaning for a patient, personal grooming, and other assistance with daily living tasks from a home health aide. Additionally, contrary to what may be a popular misconception, home care is not limited to those confined to their homes. Today, home health care is reportedly the preferred choice among those with chronic illnesses, temporarily disabled individuals, and rehabbing patients.

Recent growth

Reports have cited that, in recent decades, increased life expectancy has contributed to the aging of the general population in the United States, and some of those reports suggest that the growth of the oldest portions of the population may be related to the transition from informal to formal home health care delivery. One recent study noted that the number of people over age 65 living in the United States is expected to rise significantly. Some projections indicate that the 65-and-over population will surpass 70 million by the year 2030. Along with that expected population growth among older individuals are similar projections regarding employment in the home care industry. For instance, it has been projected that employment of home health aides is expected to grow by 69% from 2010 to 2020 and the employment of personal care aides is expected to grow by 70% from 2010 to 2020. Those figures exhibit much faster growth than the average for all occupations.

Potential insurance exposures

As such growth continues, it is important to understand the insurance exposures that home care agencies may encounter. Since home health care agencies may provide both medical and nonmedical services to an individual in the home, those types of insurance risks face varying exposures. Consider the following potential scenarios:

- A patient injures himself while attempting to transfer himself from his bed to a wheelchair after the assigned health care aide fails to show up for service on a given day.
- A nurse provides a patient with the wrong dosage of medication.

- A home health care aide is accused of stealing money and jewelry from a patient.
- An aide is accused of abusing a patient.
- A patient being transported to a doctor's appointment in a home health care nurse's car gets injured during a car accident.
- A home health care agency's computer system is breached and private patient health information is accessed.

As you can see from such scenarios, home health care agencies may face not only exposures commonly associated with medical malpractice (providing wrong dosage of medication) but also other liability exposures (abuse of patient) and property-related exposures (theft of patient property).

Getting covered

To adequately address the varying exposures a home care agency may encounter, a package of specialized coverages should be considered, including general liability, medical professional liability, crime, hired and non-owned auto liability, commercial automobile, cyber liability, commercial property, medical equipment, and abuse or molestation. Another coverage aspect to consider is whether the general liability and medical professional liability coverage should be combined in a single policy. That is because, due to the nature of a home health care agency's operations, it may not always be easy to determine whether a particular exposure would be better addressed under medical malpractice or general liability coverage. Having related coverage under one coverage form, instead of two, may help alleviate some potential coverage disputes that may arise in relation to two separate policies—for instance, if a nurse is helping a patient into the shower and the patient slips and falls.

ISO currently has a medical professional liability program in place that provides coverage options for physicians, surgeons, nurses, other allied health care professionals, dentists, optometrists, and veterinarians, in addition to coverage options for health care facilities, such as hospitals, blood banks, and diagnostic testing centers. In light of trends in the health care industry, with a shift toward more care to an at-home environment, ISO plans to expand its medical professional liability program soon to address the specialized coverage needs of home health care agencies.

As professional home care becomes more widely viewed as a less expensive and more convenient alternative to care available in a skilled nursing facility or hospital, and as the trend toward an older population continues, it seems natural that the demand for home care will only continue to grow in the future. The time to start thinking about managing risk exposures associated with the home care industry has passed. The time to address them is upon us.

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