

Summary

This paper will detail both the risk and opportunity created by the convergence of federal Electronic Visit Verification (EVV) requirements and the anticipated significant increase in demand for field workers in Home-Health (HHC) and Personal-Care (PCS).

- EVV is the new reality in the Home Care industry and is mandated by the federal government for any at-home services with a Medicaid reimbursement component.

100% of all Home Health Organizations will be mandated to adopt EVV by 2023

- Home Health Care and Personal Care Services will be the fastest growing segment of the Healthcare industry for the next ten years. The industry trend is toward “aging in place” vs the traditional institutional model. This is heavily influenced by the challenges of building facilities to handle the aging of the population.
- There is widely anticipated to be a significant shortage of Home Health workers as demand continues to increase. For example, **there is an anticipated shortfall of 1.2 million nurses.**
- There is both risk and opportunity created by the convergence of these two market factors and Kronos is uniquely positioned to avoid the risk and reap the advantage if action is taken soon

Defining the Issues

EVV

Under the 21st Century Cures Act, the federal government began mandating that any HHC organization that receives Medicaid assistance must begin electronically tracking and storing certain data about each visit. The majority of systems used by these agencies are traditionally **clinically** focused, meaning they are driven by the needs of the individual receiving care. To date, the solutions being developed and proposed to solve the EVV problem are following this clinical focus.

Labor Shortage

According to Paraprofessional Healthcare Institute, approximately 7.8 million direct-care openings will be created between now and 2026. Of those, 1.4 million will be from industry growth. Healthcare organizations are increasingly developing and acquiring home-care focused divisions. There is consistent agreement that the industry will struggle to meet growing labor demands.

Current Market

A growing labor shortage combined with a mandated requirement to manage that labor electronically has created a **labor management issue that is being addressed via clinical solutions. With the exception of FieldCentric and Kronos, few solutions in the EVV marketplace offers a true labor management solution.**

As an example, continuity of care will be a key factor that Kronos and FieldCentric are positioned to manage. Unlike other software, our combined solutions provides the critical option

to allow a shift nurse to easily continue care for their patient who has been released to home care.

Risk and Opportunity

Critical Risk

The greatest current risk is one of lost opportunity. There are three critical factors. First, EVV regulations are forcing technology change in the market. Second, with a lack of understanding in the market that this is primarily a labor management issue, clinical solutions are being adopted which handle labor scheduling outside of a WFM system. This scheduling has a patient-focused perspective, ultimately missing any focus on the inevitable labor shortage. Finally, if this trend is allowed to continue - and is further impacted by consolidation in the industry - Kronos will be increasingly facing the risk of competing scheduling solutions already being entrenched. To compound the problem, these solutions will be route focused and incompatible with Kronos, removing the capability for cross labor-force scheduling (e.g., shift nurses being able to pick up home visits). At this point, organizations faced with two incompatible scheduling systems may be compelled to choose the solution that focuses on the growing requirement for route scheduling.

Opportunity

Currently, a window of opportunity exists to take a leadership role in this market. With capabilities such as cross-divisional scheduling, cross-labor force scheduling and employee self-scheduling, FieldCentric and Kronos offer a unique solution to organizations that face the daunting combination of labor shortages and increasing regulation. By offering a true labor management solution that can solve both the short-to-mid-term EVV requirements and the long-term labor management requirements, Kronos has a significant market opportunity.

Conclusions

- Consolidation of the general market and expansion into field-based service are both well documented trends in the healthcare market
- The market forces of EVV and a looming labor shortage are well understood in the HHC and PCS markets and are creating an appetite for solutions
- Existing solutions are focused primarily on solving these issues from a clinical perspective and are not well positioned to handle the scheduling and labor management requirements to come. Alternatively, FieldCentric was built specifically to address these issues. Additionally, FieldCentric is positioned to integrate with many EMR systems, providing a consistent user interface while significantly reducing change management and training risks as EMR requirements change
- By allowing the ongoing move toward solely patient and route focused solutions to continue, Kronos runs the risk of a widening gap in this industry that will be difficult to overcome
- Kronos is uniquely positioned at this time to shift the focus toward a labor management focused solution that can be a single answer to all of these issues, creating a market advantage well into the future