

# Long-term care market expected to reach \$779.4 billion by 2030, effecting the healthcare market

The U.S. long-term care market, which includes skilled nursing, home healthcare, assisted living, hospice and palliative care, and other similar segments are forecasted to reach USD 779.4 billion by 2030, expanding at a CAGR of 5.97%. Several factors come into play contributing to this expected growth.

## DISEASE:

According to the CDC\*, 6 in 10 adults in the US have a chronic disease. If these numbers continue to rise, we'll see more individuals both 65+ and even younger, entering the long-term care market for specific diseases such as Alzheimer's, heart disease, Parkinson's, and dementia.

## POPULATION:

In a report published by the Administration of Community Living\*, people age 65+ represented 17% of the population in the year 2020. That is expected to grow to 22% by 2040.

And by 2040, there will be about 80.8 million older individuals, more than twice as many as in 2000. Many of the individuals in this age bracket may require admission to skilled or assisted living facilities. According to the American Health Care Association\*, as of March 2023, there are 15,655 skilled nursing centers across the United States. These facilities see approximately 3.9 million individuals for either short-stay, post-acute rehab, or long-term care.

Although the geriatric population are the majority of the residents of these care facilities, other age groups are also benefiting from long-term care. Increasing demand for long-term care for many middle-aged adults, specifically those with chronic diseases, are creating opportunities especially for home healthcare service providers in the U.S.

## M&A'S:

The U.S long-term care market has been witnessing several mergers and acquisitions in order to become more cost-conscious while maximize revenue. In referencing an article published by [healthcareitnews.com](https://www.healthcareitnews.com)\* there were 53 transactions in 2022 as a whole. Of those, 17 were announced in Q4, four met Kaufman Hall's definition of "mega merger" – with the minor party having annual revenues above \$1 billion. One out of five, meanwhile, had a minor party with revenues in the \$500 million to \$1 billion range. Finally, smaller long-term care entities, or financially distressed organizations may find that partnering with larger corporations may be the only way to ensure long-term feasibility.

## TECHNOLOGY ADVANCEMENTS:

In the recent past, long-term care facilities of all types have not had the funding nor the staff to implement tools to help care givers work efficiently. However, the introduction of Covid-19 and the increased staff shortage has accelerated the need to implement technology in these environments to continue to care for the growing number of patients while limited on resources.

Introduction of tools such as remote monitoring alerts enable healthcare staff continuously observe several patients at once. Likewise, implementation of assisted living technologies such as chair lifts, and GPS and emergency call monitoring, allow for more individuals to feel confident about their health conditions while still feeling independent, leading them to make the leap into an assisted living environment.

Finally, the most prevalent advancement in the most recent years is the adoption of electronic health record systems (EHRs/EMRs). While an EHR can certainly improve the quality of care within these facilities through documentation of patient history and records, the introduction of Health Information Exchange has significantly driven collaborative decision making across several care physicians in a timely manner.

## TECHNOLOGY ADVANCEMENTS:

Systems such as MediMatrix Portable Connect, which is heavily utilized by portable diagnostic radiology providers, allows them to safely exchange patient health data from their MediMatrix Portable Connect system to the care facilities EHR/EMR. Portable and mobile radiology providers offer many different diagnostic radiology services. Upon completion of the exam, the care staff receives critical information such as x-ray or ultrasound images in addition to a radiologist's report directly in their platform, reducing the time spent on documentation and paperwork filing.

## FINAL TAKEAWAYS:

- Increased disease awareness may increase the number of patients requiring specialized care within a long-term care setting.
- The growing population of “Baby Boomers” coupled with more adults demanding home health services contribute to the growth of the market.
- Watch for continued mergers and acquisitions while the market attempts to stabilize.
- The adoption of technology will continue to grow and creates more efficiencies allowing for increase admissions.

\*<https://www.cdc.gov/chronicdisease/resources/infographic/chronic-diseases.htm>

\*[https://acl.gov/sites/default/files/Profile%20of%2000A/2021%20Profile%20of%2000A/2021ProfileOlderAmericans\\_508.pdf](https://acl.gov/sites/default/files/Profile%20of%2000A/2021%20Profile%20of%2000A/2021ProfileOlderAmericans_508.pdf)

\*<https://www.ahcancal.org/Data-and-Research/Pages/default.aspx>

\*<https://www.healthcareitnews.com/blog/top-3-healthcare-ma-trends-2023>