



POLICY SPOTLIGHT

Home Healthcare: Removing Barriers to Innovation, Delivering More and Better Care

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In the United States, the COVID-19 pandemic has accelerated the rate of adoption of telehealth—the provision of healthcare from a remote location through methods including phone and video conferences. This acceleration is part of a trend of returning healthcare to the home, which can improve the delivery of care. Home healthcare can increase access, reduce costs (primarily by reducing hospitalizations), and improve quality of life.

Current technology permits the provision of many routine and some nonroutine healthcare services in the home, and the capabilities of home health workers and personal care workers are amplified by some developing healthcare technologies, including clinical decision support tools, of which the most recent generation uses artificial intelligence algorithms. However, substantial regulatory barriers still stand in the way of development. Reducing them will allow entrepreneurs and innovators to make home healthcare a widespread reality for Americans.

REALIZING THE BENEFITS OF HOME HEALTHCARE

Home healthcare can deliver better healthcare for more people at lower cost, year after year. For all the misery the pandemic has produced, it has forced policymakers to acknowledge the strengths of home healthcare and the technology that makes it possible:

- Telehealth offers the possibility of real-time care from most locations 24 days a week, 365 days a year.
- Telehealth particularly benefits those who are currently underserved—rural communities, inner-city communities, foreign-language speakers, people with limited mobility, those with busy schedules, those with childcare responsibilities, and anyone who has a health issue after office hours or on weekends.
- Other telehealth advantages include reduced exposure to pathogens in waiting rooms and examining rooms, fewer no-shows for appointments, and greater patient compliance for treatment regimens (particularly with respect to psychological health).
- For patients, telehealth dispenses with the time and stress of transit.

IDENTIFYING AND REMOVING THE BARRIERS

Home healthcare faces labor market, technical, and other regulatory barriers that prevent it from reaching its full potential. Federal and state policymakers can reduce those barriers by doing the following:

- Remove restrictions on nurse practitioners that prevent them from performing the broad range of activities that (with proper physician oversight and technological support) they are trained to perform.
- Develop a new category of certified, digitally empowered health workers who act simultaneously as health coaches, social support case workers, and frontline diagnosticians. Such a role could attract new, tech-savvy talent to the health service field and provide a pathway for formalizing and extending the skills of home health workers.
- Reduce the complexity and increase the consistency across jurisdictions of laws related to telehealth licensure, privacy, and other areas. Innovators must currently contend with 50 different sets of state laws.
- Reinforce de facto standards for data sharing that emerge among communities of those who collect and use healthcare data.
- Renew the commitment to reducing regulatory barriers to the deployment of ubiquitous, high-reliability broadband service (on which remote healthcare provision depends).

KEY TAKEAWAY

The century-long experiment of providing healthcare primarily in institutional settings such as hospitals and

clinics may have run its course. Significantly increasing the share of healthcare services provided directly to patients in their home (including phone and video conferences) has the potential to improve health outcomes, reduce costs, and generate large-scale growth in jobs for less skilled workers.

Making such a change may be less about designing and implementing new programs than about removing barriers to entrepreneurial exploration.

FURTHER READING

Philip E. Auerswald, “Healthcare to the Home: Enabling Distributed Health Service Delivery by Removing Barriers to Entrepreneurial Exploration” (Mercatus Working Paper, Mercatus Center at George Mason University, Arlington, VA, August 2020).

Robert F. Graboyes, “Proposed Telehealth Legislation Is a Positive Step” (Testimony before the Arizona House of Representatives, Committee on Health and Human Services, Mercatus Center at George Mason University, Arlington, VA, February 1, 2021).

Philip E. Auerswald and Justin Leventhal, “Better Healthcare through Hospital Avoidance: A Path to Providing Healthcare in the Home” (Mercatus Policy Brief, Mercatus Center at George Mason University, Arlington, VA, forthcoming).

ABOUT THE AUTHOR

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