



Wisconsin Home Care Market Opportunity Assessment

Completed for the Respite Care Association of Wisconsin

The ICA Group
November 2023

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About This Report

This report was completed by the ICA Group (ICA) to assist the Respite Care Association of Wisconsin (RCAW) in its effort to understand the home care market across the state and identify areas of opportunity for starting new cooperatively owned home care agencies; a tactic RCAW is exploring to address the shortage of respite care around the state.

Research for the market assessment was conducted between July and October of 2023. The research included quantitative data analysis, stakeholder interviews, and desk research to further inform findings. Key quantitative data sources included:

- The US Census Bureau
- The US Bureau of Labor Statistics
- Medicaid and CHIP Payment and Access Commission (MACPAC)
- GenWorth
- IBIS Industry Reports
- The Wisconsin Department of Health Services
- PHI

To complement the quantitative analysis, ICA interviewed stakeholders with experience related to the local home care market. Interview findings were used to contextualize and verify quantitative data and to inform recommendations. Interviewees included:

- Lynn Gall, Bureau of Aging and Disability Resources/Office on Aging
- Patti Jo Becker, Community Living Alliance
- Vicky Gunderson, GT Independence
- Amy Weiss, Wisconsin Personal Services Association Board Member
- Lisa Davidson, Disability Service Provider Network
- Kevin Coughlin, Wisconsin Department of Health Services Division of Medicaid Services

The cumulative findings of this research and analysis are summarized in this report.

Executive Summary

Mirroring national trends, the market for personal care services is growing rapidly in Wisconsin due to unprecedented growth of the state's elderly population. While demand for in-home care is at an all-time high, the home care industry is facing an untenable caregiver shortage crisis like much of the rest of the country. Direct care workers face low wages, poor working conditions, lack of respect, and insufficient training and on-the-job support. As a result of low job quality, the caregiving system is facing unprecedented recruitment, staffing, and retention challenges.

In recognition of these challenges, the Respite Care Association of Wisconsin is exploring how investing in the cooperative model could be an impactful strategy for addressing the respite shortage across the state. The ICA Group completed this market assessment to identify promising geographic areas and promising strategies for the development of worker-owned home care cooperatives in Wisconsin.

Market Opportunity Assessment Key Takeaways:

- Stronger markets are geographically clustered in the Northeastern, Southeastern Region, and Southern Regions of the state – regions where RCAW has higher levels of participation and stronger partners.
- Counties with the highest levels of consumer need tend not to have optimal market conditions and are therefore harder to serve for a variety of reasons including rural conditions, labor force availability, and household income.
- Many areas with strong market conditions are adjacent to Cooperative Care's area of service. The data suggests that there is strong market potential for Cooperative Care's expansion into neighboring counties of interest to the cooperative.

Recommended Cooperative Development Strategies:

Based on the key market findings, ICA recommends the following considerations and strategies:

- Locations and Partnerships: In considering how to deploy resources RCAW can consider two strategies: 1) investing in cooperative development in areas with the best overall market conditions, and 2) leveraging key partnerships to make a difference in places that have the highest levels of consumer need but more challenging market conditions.
- Cooperative Development Methods: RCAW can consider four different methods for investing resources in home care cooperatives, each with its own advantages: 1)

start-up of new home care cooperative businesses, 2) acquisition or conversion of existing conventionally owned businesses, 3) cooperative solutions for independent caregivers, and 4) expansion of existing home care cooperatives. The acquisition and conversion method has particular advantages in strong and competitive markets.

- Workforce Development: Given the shortage of home care workers around the state, and the projected decline of working age people in many rural areas, the success of new cooperative ventures will be contingent on its ability to hire and retain workers. Those wishing to start cooperatives will need to dedicate serious resources and creativity to workforce development, recruitment, and retention. ICA recommends developing targeted recruitment strategies focused on workers new to home care and workers with barriers to employment, including older adults, family caregivers, men, and immigrants.

Even in the strongest markets, home care is a challenging business. However, the "cooperative difference" in home care—respect for workers, better wages and benefits, training and career advancement, worker ownership, and voice—is a competitive advantage. The Respite Care Association of Wisconsin's strong mission, existing programs, and deep understanding of consumer needs across the state will be a significant asset to future cooperative development efforts.

The Wisconsin Home Care Market: An Overview

Individual counties in a state have different market conditions, yet all are situated within a larger state-wide context. Therefore, before diving into the county-level market opportunity assessment, it is useful to understand home care market conditions on a statewide level. This overview looks at the following dimensions of the statewide market:

- Consumers Demand
- Workforce and Wages
- Consumer to Workforce Ratio (Unmet Demand)
- Providers/Competition
- Service Types and Payers (Appendix)
- Regulatory Environment (Appendix)

Consumer Demand

In Wisconsin, as in the rest of the nation, the market for personal care services is growing rapidly due to an unprecedented growth in the nation's elderly population, paired with a cultural shift towards aging in place.

Wisconsin Home Care Demographics, 2020 (figures rounded)	
Total Population	5.9M
65+ Population	1.1 million (17.9% of total population)
Estimated Frail Elderly ¹	210.8K
Estimated Adults Ages 18-64 with Self-Care or Independent Living Difficulty	345.7K
Estimated Home Care Consumer Pool	556.6K

As of the 2020 Census, Wisconsin's population aged 65 and older totaled 1.1 million people, comprising 17.9% of the total population. The growth of Wisconsin's older adult population has outpaced general population growth. According to the Wisconsin Department of Health Services, Wisconsin's population aged 60 and over grew by 32%

¹The "frail elderly" population is calculated as 20% of all people 65 years and over.

between 2010 and 2020, compared to a 2.5% overall growth rate for the total population.²

Workforce and Wages

ICA estimates that there are 75.1K paid home care workers in Wisconsin's workforce,³ and demand for direct care workers is growing dramatically. Driven by increasing consumer demand and high caregiver turnover, and exacerbated by low wages and poor working conditions, Wisconsin does not currently have enough caregivers in the paid caregiving workforce to meet current or future demand. According to PHI, the home health and personal care aide occupations in Wisconsin were projected to grow 19% between 2020 and 2030. When considering both new jobs created by occupational growth and separations (the anticipated number of job openings caused by workers leaving the labor force or occupation), PHI projected there would be a total of 117,100 home health aide and personal care aide job openings in Wisconsin during this decade.⁴

Unlike many other parts of the country, paid caregiving jobs in Wisconsin offer better wages than entry level retail and food service jobs. In the state as a whole, median hourly wages for home care jobs are \$1.04 per hour *more* than entry level retail jobs and \$2.78 more than entry level food service jobs.

Wisconsin Wage Comparison: Median Hourly Wages in Home Care, Retail, and Food Service ⁵			
Home Care	Retail	Food Service	Wage Differential
\$13.74	\$12.70	\$10.96	Median hourly wages for home care jobs are \$1.04 per hour <i>more</i> than retail jobs and \$2.78 <i>more</i> than food service jobs.

Still, jobs in food service and retail typically offer more consistent schedules, less isolated work environments, and better opportunities for career advancement, making it challenging for home care businesses to recruit workers despite slightly higher

² Wisconsin Department of Health Services, Wisconsin State Aging Plan FFY 2023-2025 DRAFT, <https://www.dhs.wisconsin.gov/aging/draft-23-25-aging-plan.pdf>

³ 5/1/2021 Bureau of Labor Statistics data released on March 31, 2022.

⁴ PHI. "Workforce Data Center." Last modified September 22, 2022. <https://phinational.org/policy-research/workforce-data-center/>.

⁵ May 2021 data pulled from the Bureau of Labor and Statistics. Wage averages are weighted to account for the concentration of people in each job position/title within the category.

average wages. Interviewees noted that recruitment is a significant challenge for most home care providers in Wisconsin, especially in rural areas, and they have a hard time competing with employers that can offer sign-on bonuses. A survey conducted by the Wisconsin Personal Services Association in the Fall of 2022 found that 44% of the member agencies surveyed had five or more open caregiver positions each week and 85% had turned away a client sometime in the previous year due to lack of workers.⁶

Consumer to Workforce Ratio (Unmet Demand)

To evaluate the unmet need for home care services among Wisconsin’s adult population, the ICA Group created an estimate of the adult home care consumer pool - people who likely need assistance with activities of daily living to safely remain at home.⁷ Using this method, ICA estimates that there are approximately 556.6K people in the Wisconsin home care consumer pool. Given the current size of the paid HHA/PCA workforce, we estimate that there are 7.4 likely home care consumers for every one paid home care worker in the workforce.

Wisconsin Client to Paid Home Care Worker Ratio (Bureau of Labor Statistics, Figures Rounded) ⁸	
Home Care Consumer Pool	556.6K
Estimated Paid Home Care Workers in Workforce	75.1K
Consumer to Home Care Worker Ratio	7.4 to 1

This ratio illustrates the workforce shortage in the state as a whole; ICA estimates that a 3 to 1 client to caregiver ratio typically enables adequate service provision. However, the workforce shortage in Wisconsin is less severe than in the nation overall, where the ratio of the home care consumer pool to paid caregivers is 10 to 1. Finally, home care consumers are not evenly distributed throughout the state, and neither are home care services and providers. There are counties in Wisconsin with both better and worse

⁶ "2022-23 Caregiver Workforce Crisis Report," Wisconsin Personal Services Association.

⁷ Because not every elderly or disabled adult needs in-home care, ICA creates an estimate of the "home care consumer pool" – people likely needing in-home care services. ICA's home care consumer pool includes the "frail elderly," adults over 18 who are living with a Self-Care Difficulty; and adults over 18 who are living with an Independent Living Difficulty. The "frail elderly" population is calculated as 20% of all people 65 years and over.

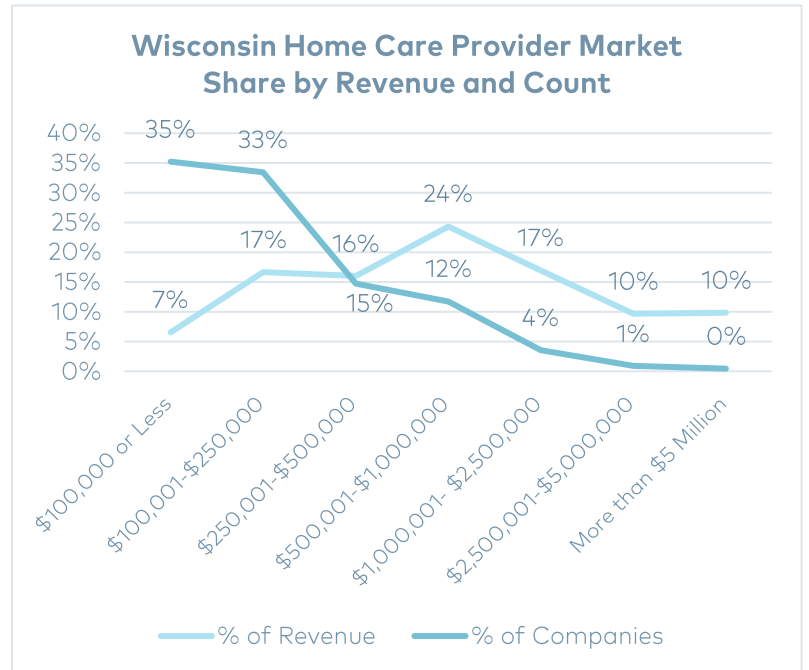
⁸ 5/1/2021 Bureau of Labor Statistics data released on March 31, 2022.

levels of service provision – as low as 4 to 1 in some counties and as high as 23 to 1 in others – and this report will explore these geographic dynamics in depth.

Providers/Competition

The exact number of home care businesses in Wisconsin is difficult to determine. The ICA Group found data on 673 privately owned home care businesses or branch locations physically located in the state.

Overall, the home care market is fractured and made up of many small operators. As the chart shows, 83% of the businesses in the dataset earn less than \$500,000 in annual revenue and account for 39% of total revenue. Only 5% of the businesses in the dataset make more than \$1 million in annual revenue and these businesses only claim 37% of total revenue. This is a low level of market concentration. The fact that only 5% of businesses in the dataset have surpassed the \$1 million threshold – a general marker of sufficient size to absorb the cost of middle management – suggests that the market poses challenges to reaching scale in this environment.



The 673 businesses represented in the dataset are located in 60 of Wisconsin's 72 counties. It is definitely possible that there are home care businesses located in the 12 remaining counties that were not captured in our dataset. It may also be possible that these areas are primarily served by independent caregivers due to population density or other factors.

When looking at concentrations in different metro areas, 51% of the businesses in the dataset are located in Milwaukee-Waukesha-West Allis Metro Statistical Area (includes Milwaukee, Ozaukee, Washington, and Waukesha Counties) and 10% are located in the Madison Metro Statistical Area (Columbia, Dane, Green and Iowa Counties). Looking at individual cities, there are the greatest number of home care businesses in Milwaukee (215), Madison (40), Green Bay (18), Appleton (16), and Racine (15).

Top 25 Counties	Number of Home Care Agencies
Milwaukee County	246
Dane County	63
Waukesha County	56
Racine County	29
Brown County	23
Outagamie County	19
Marathon County	18
Eau Claire County	16
Winnebago County	16
Kenosha County	14
Ozaukee County	13
Washington County	12
Rock County	11
Sheboygan County	10
Dodge County	8
Walworth County	7
Wood County	7
Grant County	6
La Crosse County	6
Manitowoc County	6

Top 25 Cities	Number of Home Care Agencies
Milwaukee	215
Madison	40
Green Bay	18
Appleton	16
Racine	15
Eau Claire	12
Kenosha	12
Wausau	12
Wauwatosa	12
Waukesha	11
Brookfield	10
Mount Pleasant	9
New Berlin	9
Mequon	8
Oshkosh	8
Sheboygan	8
Janesville	7
Manitowoc	6
Neenah	6
Sun Prairie	6

County Market Analysis

Understanding the state level market is important for context. However, home care businesses operate within local markets. To inform future cooperative development efforts, ICA analyzed the home care market in each of Wisconsin's 72 counties.

Methodology

To identify the most advantageous county-level markets, ICA evaluated each county using eight criteria found to influence the success of home care enterprises. Each criterion is explained in detail below.

- Consumer Potential
- Unmet Consumer Demand
- Private Pay Opportunity
- Population Density
- Ability to Pay
- Workforce Availability
- Home Care Wage Competitiveness
- Competition (Population per Agency)

Consumer Potential: To measure and assess the relative demand for home care services, we looked at the percentage of the total population that is in ICA's estimate of the home care consumer pool.⁹ Those counties that appear green in the table below are those deemed most attractive in terms of consumer potential. These counties have the highest proportion of their total population in the estimated home care consumer pool.

Unmet Consumer Demand (Consumer to Workforce Ratio): Unmet Consumer Demand is measured as the Consumer to Workforce Ratio – that is the estimated number of people in the home care consumer pool (adults that could benefit from personal care services) divided by the estimated number of personal care aides and home health aides (PCAs and HHAs) employed in the workforce in the same area. Those counties that appear green in the summary table below (page 14) are those deemed most attractive in terms of unmet consumer demand – that is, these are the counties where there is the highest proportion of potential clients relative to the number of HHAs and PCAs in the workforce. This illustrates an opportunity to serve consumers who are not currently

⁹ Because not every elderly or disabled adult needs in-home care, ICA creates an estimate of the "home care consumer pool" – people likely needing in-home care services. This includes the "frail elderly" (calculated as 20% of all people 65 years and over), adults 18+ with a Self-Care Difficulty; and adults 18+ with an Independent Living Difficulty.

being served. Counties that appear orange or red colored are those which either have relatively few potential clients and/or those where the potential client base is likely already well served by the existing workforce.

Private Pay Opportunity: New home care cooperatives usually start in the private pay market and must scale before expanding into the public pay market. We assess the county-level private pay market by looking at the percentage of each county's estimated home care consumer pool that are NOT enrolled in public pay programs (either IRIS or Family Care MCOs). Those counties that appear green for this data point in the summary table below (page 14) are those deemed most attractive – these are counties where there is the highest proportion of potential consumers *not* enrolled in public pay programs. Low enrollment either indicates high private pay opportunity or an untapped public market.

Population Density: Measured as population per square mile. Those counties that appear green for this data point are those deemed most attractive in terms of population density – these are counties where there are more people per square mile, making it an easier geography to serve (less travel time and travel expense).

Ability to Pay: To assess a county population's ability to pay for private pay services, we looked at both median household income for all households and median household income for 65+ households. The data in the table is an average of the two numbers. Those counties that appear green for this data point are those deemed most attractive in terms of ability to pay – the counties with the highest averaged median household/median 65+ household income.

Workforce Availability: To assess the availability of potential workers in a county's market, we looked at the proportion of the total population that is workforce age (ages 20-64). While we do have approximate data on the actual size of the direct care workforce (which is used to measure "Unmet Consumer Demand"), recruitment and training strategies can be used to expand the pool of care workers; thus, we use a broader measure of workforce availability. Those counties that appear green for this data point are those deemed most attractive in terms of workforce availability: the counties with the highest proportion of the population in the workforce-age group.

Home Care Wage Competitiveness: To assess how competitive home care businesses will be in recruiting workers from other industries, we look at how the median HHA/PCA wage compares to median wages for comparable entry level retail and food service

positions, which are frequent competitors for the direct care workforce.¹⁰ In all counties in Wisconsin, median HHA/PCA wages are *higher* than the combined population-weighted average of the median wages for the retail and food service positions that ICA considered. Those counties that appear green for this data point are those deemed most attractive in terms of wage competitiveness: the counties where median HHA/PCA wages have the greatest differential from retail/food service wages.

Competition (Population per Agency): To assess the competitiveness of the agency market, we calculated each agency's share of the county's population. To do this, we divided the (population of the county) by (the number of known HHA/PCA agencies located in the county + 1).¹¹ Those counties that appear green for this data point are those deemed most attractive in terms of competition: the counties where each agency's share of its county's population is the largest.

ICA overlaid these criteria to evaluate the level of opportunity (or lack thereof) for the development of successful new home care businesses in each county. Each county was assigned a score of 1-4 for each of the criteria, determined by the quartile of that county for the specific data point. For example, for Consumer Potential, the 18 counties with the highest consumer potential were assigned a value of 4; the 18 counties with the lowest consumer potential were assigned a value of 1 for that criterion. In the summary table below (page 14), colors are used to illustrate the assigned 1-4 scores:

- Green – Score of 4: Counties that are in the top quartile of WI's 72 counties for this data point (indicating that it is among the most attractive markets on the basis of that particular criterion).
- Yellow – Score of 3: Counties that are in the second highest quartile on the basis of that particular criterion.
- Orange – Score of 2: Counties in the second to bottom quartile, indicating it is a less favorable market based on the specific criterion.
- Red – Score of 1: Counties in the bottom fourth of all 72 counties (indicating it is among the least attractive markets on the basis of that criterion).

Each county was then given an Overall Market Opportunity Score based on the sum of its scores for the 8 criteria. The table on page 14 shows each county's data for each criterion as well as its overall score. ICA also assessed market conditions at the level of the metropolitan statistical area (MSA). This data is available in Appendix 3.

¹⁰ BLS data on wages is available at the metropolitan statistical area (MSA) level. We applied MSA-level data on median wages for HHA/PCAs and comparable entry-level positions in food service and retail to the counties within each MSA.

¹¹ We added '1' to the number of known HHA/PCA providers to show what each provider's share of the population would be if a new cooperative agency were added to the market.

WI Counties Ranked from Best Total Score to Worst	Total Population	Consumer Potential	Unmet Consumer Demand (Consumer to Workforce Ratio)	Private Pay Opportunity	Population Density	Ability to Pay	Workforce Availability	Home Care Wage Competitive- ness	# of HHA / PCA Agencies	Competition (Population per Agency: more people = less competition)	Overall Market Oppor- tunity Score
Green County	37,098	9.9%	9.3	88.1%	64	\$59,703	57.1%	\$1.18	2	12,366	25
Jefferson County	84,808	9.6%	10.1	85.7%	153	\$61,070	58.4%	\$1.07	1	42,404	25
Kenosha County	168,743	9.4%	10.8	85.7%	625	\$61,090	60.1%	\$1.09	14	11,250	25
Rock County	163,522	9.1%	11.1	87.7%	229	\$56,998	57.7%	\$1.57	11	13,627	25
Winnebago County	171,304	9.5%	8.4	87.4%	399	\$54,206	60.0%	\$1.48	16	10,077	25
Calumet County	52,128	7.3%	7.1	86.8%	168	\$60,817	59.1%	\$1.72	4	10,426	24
Columbia County	58,219	8.6%	7.9	86.7%	77	\$61,187	58.8%	\$1.18	0	58,219	24
Dane County	555,474	6.9%	6.0	90.3%	487	\$71,214	62.5%	\$1.18	63	8,679	24
Walworth County	105,945	9.0%	9.5	87.6%	194	\$61,723	58.0%	\$1.07	7	13,243	24
Fond du Lac County	103,890	8.6%	11.1	86.0%	146	\$56,436	57.7%	\$1.08	3	25,973	23
Oconto County	38,691	10.2%	10.3	90.1%	39	\$58,980	57.1%	\$1.03	2	12,897	23
Outagamie County	189,620	8.0%	7.8	87.7%	305	\$59,160	59.2%	\$1.72	19	9,481	23
Polk County	44,806	10.1%	10.6	91.5%	49	\$58,453	56.7%	\$1.14	3	11,202	23
Sauk County	92,495	8.3%	4.4	88.7%	81	\$76,644	58.8%	\$1.07	3	23,124	23
Waupaca County	51,769	11.1%	11.8	86.7%	69	\$55,233	57.1%	\$1.07	3	12,942	23
Dodge County	89,274	9.3%	9.4	88.1%	102	\$56,695	60.1%	\$1.07	8	9,919	22
Kewaunee County	20,535	10.1%	9.4	87.5%	60	\$59,881	56.0%	\$1.03	1	10,268	22
Manitowoc County	81,103	10.1%	11.1	87.0%	138	\$52,272	56.7%	\$1.00	6	11,586	22
Portage County	70,378	9.0%	9.5	86.4%	88	\$59,808	59.3%	\$1.00	4	14,076	22
Washington County	136,300	8.9%	4.5	89.1%	321	\$70,841	57.9%	\$0.96	12	10,485	22
Door County	29,713	10.1%	12.2	90.7%	64	\$58,968	51.7%	\$1.00	2	9,904	21
Douglas County	44,034	10.2%	6.1	84.9%	34	\$51,025	59.0%	\$1.24	0	44,034	21
Dunn County	45,254	7.9%	8.0	84.9%	54	\$54,424	59.0%	\$1.14	3	11,314	21
Eau Claire County	105,206	9.7%	7.2	85.1%	169	\$57,788	59.8%	\$1.39	16	6,189	21
Green Lake County	18,990	11.5%	13.0	89.1%	54	\$54,172	53.8%	\$1.07	2	6,330	21
Lincoln County	28,378	10.7%	11.6	86.9%	32	\$53,629	58.1%	\$1.00	2	9,459	21
Marinette County	41,720	13.5%	15.3	92.2%	30	\$49,803	55.4%	\$1.00	5	6,953	21
Pierce County	42,204	7.4%	4.0	87.8%	74	\$65,406	59.1%	\$0.37	1	21,102	21
Vilas County	22,813	13.5%	16.6	92.9%	27	\$53,532	50.9%	\$1.00	1	11,407	21
Wood County	74,107	11.8%	13.2	85.1%	93	\$50,407	55.8%	\$1.00	7	9,263	21
Adams County	20,505	16.6%	19.2	89.9%	32	\$46,774	54.5%	\$1.00	2	6,835	20
Barron County	46,529	11.5%	12.5	85.3%	54	\$49,614	54.5%	\$1.14	1	23,265	20
Brown County	267,364	7.8%	7.0	86.4%	519	\$57,994	58.5%	\$1.03	23	11,140	20
Forest County	9,184	11.6%	13.4	89.0%	9	\$45,790	54.6%	\$1.00	0	9,184	20
Juneau County	26,595	11.2%	11.5	83.9%	35	\$50,292	57.7%	\$1.14	1	13,298	20
Marathon County	137,597	9.8%	11.9	80.6%	90	\$56,593	57.3%	\$1.12	18	7,242	20
Marquette County	15,515	13.2%	15.0	90.3%	34	\$49,496	54.1%	\$1.07	3	3,879	20
Oneida County	37,468	11.3%	13.0	90.3%	35	\$54,969	54.8%	\$1.00	5	6,245	20
Sheboygan County	40,836	12.0%	13.5	85.0%	232	\$51,554	55.5%	\$0.65	10	3,712	20
Waukesha County	405,332	8.2%	4.2	89.7%	749	\$76,217	57.5%	\$0.96	56	7,111	20
Waushara County	24,527	11.8%	13.0	86.2%	39	\$50,014	55.6%	\$1.07	2	8,176	20
Bayfield County	16,031	12.7%	18.9	88.2%	11	\$57,553	53.1%	\$0.55	1	8,016	19
Buffalo County	13,314	10.3%	11.1	86.0%	20	\$51,057	55.3%	\$1.14	0	13,314	19
Florence County	4,542	13.6%	15.1	92.4%	9	\$49,197	55.9%	\$1.00	0	4,542	19
La Crosse County	120,291	8.6%	8.5	78.6%	271	\$54,060	59.6%	\$0.64	6	17,184	19
Lafayette County	16,662	8.7%	9.8	88.0%	26	\$52,904	54.5%	\$1.07	0	16,662	19
Monroe County	46,091	9.3%	9.8	80.1%	52	\$53,822	55.7%	\$1.14	1	23,046	19
Ozaukee County	91,029	9.1%	4.8	88.8%	399	\$70,374	56.0%	\$0.96	13	6,502	19
Rusk County	14,182	12.8%	18.9	86.7%	15	\$47,921	53.3%	\$0.55	0	14,182	19
Washburn County	16,561	12.9%	19.3	88.7%	21	\$50,375	52.7%	\$0.55	1	8,281	19
Burnett County	16,356	12.5%	19.2	94.2%	20	\$51,400	51.7%	\$0.55	4	3,271	18
Chippewa County	65,877	8.6%	6.6	82.9%	67	\$53,873	58.0%	\$1.39	4	13,175	18
Iowa County	23,715	7.6%	7.3	84.9%	31	\$61,608	56.7%	\$1.18	3	5,929	18
Jackson County	21,004	9.5%	9.9	83.4%	22	\$50,978	57.2%	\$1.14	0	21,004	18
Racine County	197,379	9.4%	6.5	84.9%	596	\$58,663	57.9%	\$1.13	29	6,579	18
Richland County	17,353	11.8%	13.8	77.3%	29	\$47,738	52.5%	\$1.07	1	8,677	18
Shawano County	17,813	13.7%	20.3	87.0%	45	\$49,896	52.9%	\$1.00	2	5,938	18
St. Croix County	117,528	7.4%	7.5	85.4%	133	\$55,454	57.6%	\$0.37	4	23,506	18
Trempealeau County	30,504	7.5%	8.1	79.4%	43	\$54,263	54.5%	\$1.14	1	15,252	18
Clark County	34,655	8.7%	10.0	85.3%	29	\$48,311	51.5%	\$1.14	1	17,328	17
Iron County	6,074	15.2%	23.1	89.1%	8	\$44,235	52.4%	\$0.55	1	3,037	17
Pepin County	7,328	9.7%	10.7	85.3%	31	\$55,442	54.3%	\$1.14	0	7,328	17
Sawyer County	65,428	5.3%	5.7	86.4%	15	\$59,123	56.6%	\$0.55	0	65,428	17
Vernon County	30,719	9.8%	11.2	83.5%	39	\$47,475	52.0%	\$1.14	1	15,360	17
Crawford County	16,167	10.6%	11.5	83.0%	28	\$47,686	54.6%	\$1.14	1	8,084	16
Langlade County	19,469	11.0%	12.7	84.4%	22	\$46,434	54.3%	\$1.00	0	19,469	16
Menominee County	4,318	11.9%	14.3	71.0%	12	\$51,154	51.8%	\$1.00	0	4,318	16
Milwaukee County	939,123	10.7%	5.2	79.2%	3888	\$49,259	59.5%	\$0.96	246	3,802	16
Ashland County	16,002	10.2%	14.6	79.8%	15	\$48,099	55.3%	\$0.55	1	8,001	15
Grant County	52,210	7.6%	8.3	83.9%	45	\$51,950	56.1%	\$1.07	6	7,459	15
Price County	14,003	13.1%	19.1	77.2%	11	\$44,847	53.9%	\$0.55	3	3,501	14
Taylor County	19,960	8.6%	12.4	87.2%	20	\$47,570	54.9%	\$0.55	1	9,980	14

Key Takeaways

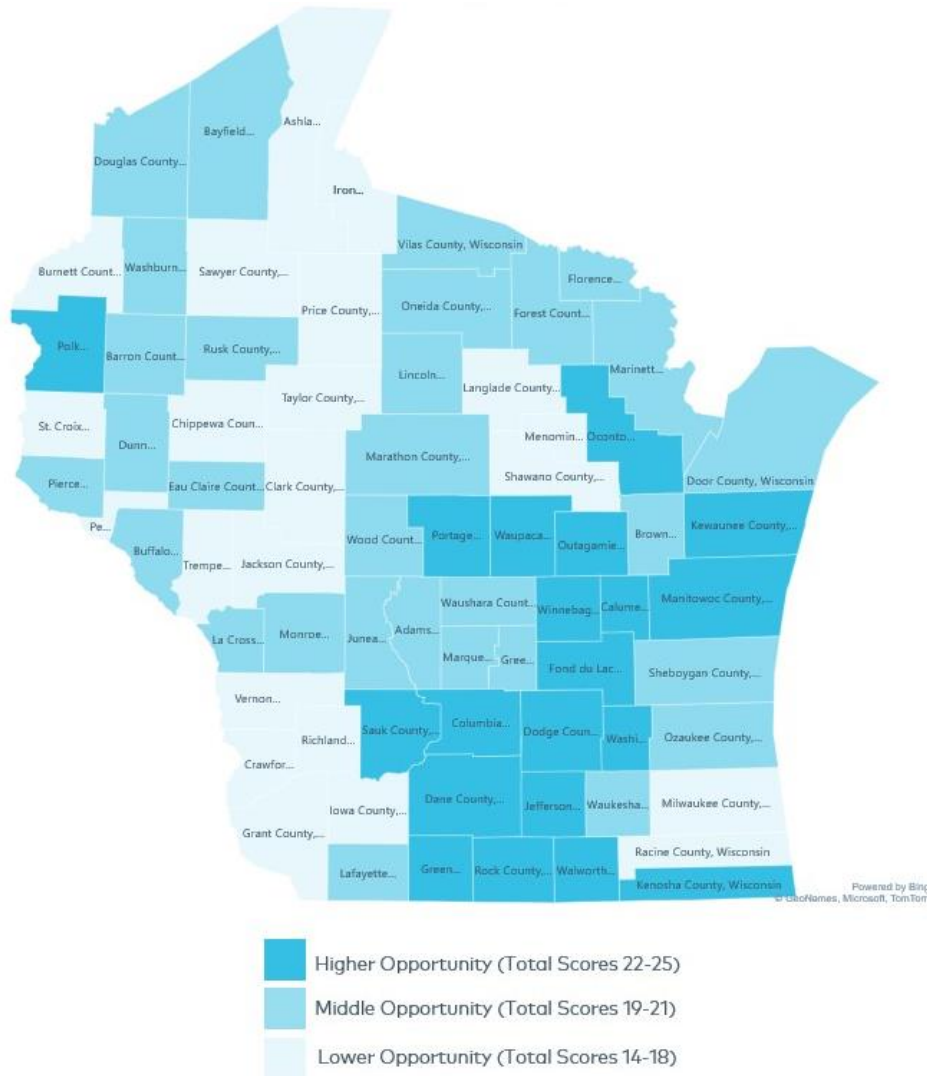
ICA offers the following key takeaways from the county-level market assessment, which are discussed further following the full county data table on the next page.

- 1. Stronger markets and weaker markets are geographically clustered and strong markets align with participation in RCAW programs:** Counties with better market conditions are clustered regionally, as are counties with worse market conditions. The majority of the counties with the best market conditions are clustered in the Northeastern, Southeastern Region, and Southern Regions of the state. The regions where counties with better market conditions are clustered are regions where RCAW already has higher levels of participation and stronger partners.
- 2. Counties with the highest levels of consumer need tend not to have optimal market conditions:** Counties with better overall market conditions tend to have lower levels of unmet consumer demand. In contrast, the areas with the highest levels of consumer need tend not to have optimal market conditions. This means that counties with higher levels of need are harder to serve, for a variety of reasons including available labor force, transportation challenges, and household income.
- 3. Many areas with strong market conditions are adjacent to Cooperative Care's area of service:** The data suggests that there is strong market potential for Cooperative Care's expansion into neighboring counties of interest to the cooperative.

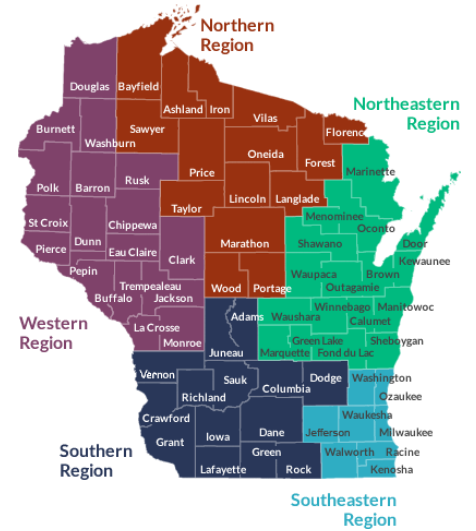
Geographic Clusters

The map on the left below, "County Level Home Care Market Opportunity," shows the geographic distribution of better and worse market conditions. Counties that got the highest market opportunity scores (22-25) are shown in saturated blue; counties that got the lowest scores are shown in the lightest blue.

County Level Home Care Market Opportunity



Wisconsin Regions, for reference



As the map shows, stronger markets and weaker markets are geographically clustered. The majority of the counties that have the best market conditions, relative to others in the state, are clustered in the Northeastern Region, the Southeastern Region, and the eastern part of the Southern Region of the state. The majority of the counties that have the lowest levels of market opportunity are clustered in the Northern Region (eastern part), the Western Region, and the Southern Region (western part).

This largely aligns with the regions of the state where participation in RCAF's programs is strongest. It is our understanding that family caregiver engagement with RCAF's programs and grants varies across the state, both because of lack of awareness and because the shortage of respite caregivers and providers is worse in

some regions than others. RCAW reported to ICA that regions can be ranked from most engagement to least:

1. Southeastern (most engagement)
2. Northeastern
3. Western
4. Southern
5. Northern (least engagement)

This also aligns with feedback received from interviewees suggesting that the rural Northwest region, and secondarily the rural Southwest region, contains the areas of greatest need, which are also hardest to serve.

Consumer Need and Market Strength

The chart below shows how average market conditions in the top quartile of counties (the 18 counties with the best overall scores) compare to market conditions in the bottom quartile (the 18 counties with the worst overall scores) and to counties overall.

	Total Pop.	Consumer Potential	Unmet Consumer Demand	Private Pay Opportunity	Pop. Density	Ability to Pay	Workforce Age	Home Care Wage Competitive-ness	Competition (Population per Agency)
		<i>Estimated Home Care Consumer Pool as % of Total Pop</i>	<i>Potential Consumer to Workforce Ratio</i>	<i>% of Estimated Potential Consumers NOT enrolled in IRIS or Family Care</i>	<i>People Per Sq. Mile</i>	<i>Averaged median household income for all hhlds. and 65+ hhlds.</i>	<i>People Aged 20-64 as % of total Pop</i>	<i>Median HHA/PCA wage vs. combined entry level retail and food service wage</i>	<i>Total Population Divided by Number of Home Care Agencies</i>
Top Quartile Counties (Median)	87.0K	9.3%	9.5	87.6%	142	\$59.4K	58.2%	+ \$1.09	12.0K
All Counties (Median)	41.3K	9.8%	10.7	86.7%	51	\$54.1K	56.4%	+ \$1.07	10.2K
Bottom Quartile Counties (Median)	19.7K	10.0%	11.3	84.2%	29	\$48.8K	54.4%	+ \$1.00	8.0K

The top quartile of counties should, conceivably, perform better on all 8 criteria because each county's overall score is the sum of its score for each of the 8 criteria. However, the data shows that as a group, counties with better overall market conditions tend to have lower levels of unmet consumer demand. Though it should be noted that our analysis does not capture care quality, meaning there may still be unmet demand for higher quality care in better served areas.

So where are the counties with the highest levels of consumer potential, and what are their markets like? The chart below shows the 10 counties that got the highest scores for Consumer Potential.¹²

10 WI Counties With Highest Consumer Potential, Ranked by Consumer Potential

	Consumer Potential	Unmet Consumer Demand	Private Pay Opportunity	Pop. Density	Ability to Pay	Workforce Age	Home Care Wage Competitive-ness	Competition (Population per Agency)	Overall Score
	<i>Estimated Home Care Consumer Pool as % of Total Pop</i>	<i>Potential Consumer to Workforce Ratio</i>	<i>% of Estimated Potential Consumers NOT enrolled in IRIS or Family Care</i>	<i>People Per Sq. Mile</i>	<i>Averaged median household income for all hhlds and 65+ hhlds</i>	<i>People Aged 20-64 as % of total Pop</i>	<i>Median HHA/PCA wage vs. combined entry level retail and food service wage</i>	<i>Total Population Divided by Number of Home Care Agencies</i>	
Adams County	16.6%	19.2	89.9%	32	\$46.8K	54.5%	\$1.00	6.8K	20
Iron County	15.2%	23.1	89.1%	8	\$44.2K	52.4%	\$0.55	3.0K	17
Shawano County	13.7%	20.3	87.0%	45	\$49.9K	52.9%	\$1.00	5.9K	18
Florence County	13.6%	15.1	92.4%	9	\$49.2K	55.9%	\$1.00	4.5K	19
Marinette County	13.5%	15.3	92.2%	30	\$49.8K	55.4%	\$1.00	6.9K	21
Vilas County	13.5%	16.6	92.9%	27	\$53.5K	50.9%	\$1.00	11.4K	21
Marquette County	13.2%	15.0	90.3%	34	\$49.5K	54.1%	\$1.07	3.9K	20
Price County	13.1%	19.1	77.2%	11	\$44.8K	53.9%	\$0.55	3.5K	14
Washburn County	12.9%	19.3	88.7%	21	\$50.4K	52.7%	\$0.55	8.3K	19
Rusk County	12.8%	18.9	86.7%	15	\$47.9K	53.3%	\$0.55	14.2K	19
Counties with Highest Consumer Potential (Median)	13.5%	19.0	89.5%	24	\$49.3K	53.6%	\$1.00	6.4K	19
All Counties (Median)	9.8%	10.7	86.7%	51	\$54.1K	56.4%	\$1.07	10.2K	20

When you compare this group of counties to the median, they have lower population density, lower median incomes, lower workforce availability, home care wages that create less of a recruiting advantage than in other places, and fewer home care agencies relative to the population. In other words, the very fact that there is a lot of consumer need in these counties is likely because they are otherwise difficult markets for personal care agencies to operate in. This is unsurprising; areas that have a lot of consumer demand *and* are otherwise attractive markets are already being served by providers.

In summary, counties with a high level of unmet demand are often challenging markets to serve. If RCAW's goal is to invest in cooperative development to help alleviate the shortage of providers in parts of the state where family caregivers have the most trouble accessing respite, the organization will need to be strategic in targeting locations with adequate market conditions *or* building the right partnerships to make it

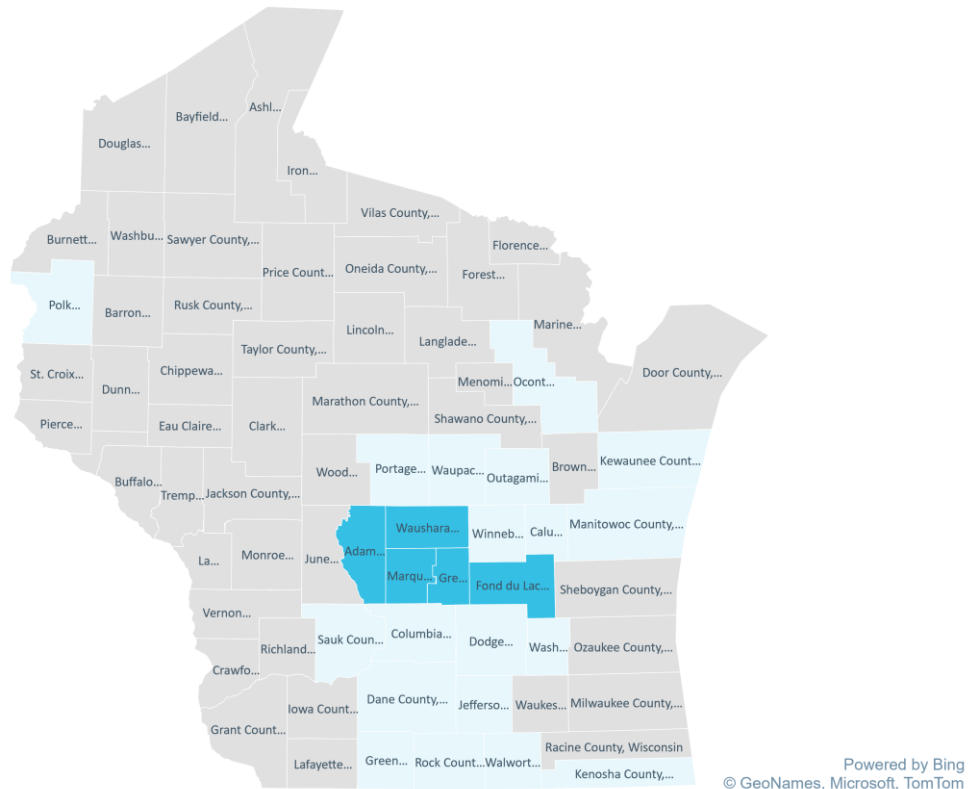
¹² Counties that got the highest scores for Consumer Potential are the counties where potential consumers (the home care consumer pool) make up the greatest % of the county's total population.

feasible to work in more challenging areas. This will be discussed more in the recommendations section.

Strong Markets Near Cooperative Care

Wisconsin is home to one operational home care cooperative, Cooperative Care located in Wautoma in Waushara County. ICA's analysis shows that many areas with strong market conditions are adjacent to Cooperative Care's area of service. The map below shows Cooperative Care's current service area (in the most saturated blue) in relation to the counties that have the best market conditions (light blue). This presents an opportunity to support Cooperative Care in considering expanding its market area, which is discussed more in Recommendations.

Potential Cooperative Care Expansion



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Recommendations

Based on the key market findings discussed above, ICA offers the following recommendations and next steps for RCAW as it further explores how best to invest in the cooperative model as a way to alleviate the state's respite care shortage.

Locations and Partnerships

In considering how to deploy resources RCAW can consider two strategies: 1) investing in cooperative development in areas with the best overall market conditions, and 2) leveraging key partnerships to make a difference in places that have the highest levels of consumer need but more challenging market conditions. Each approach is discussed in greater detail below.

Areas With Strong Market Conditions: RCAW could choose to invest in the development of new home care cooperatives in counties that have the best overall market conditions, under the premise that these will be locations where a new co-op has the best chance of succeeding. If RCAW has strong partners in these locations who would be interested in participating in the development of a cooperative, this would certainly be a logical place to start. The 15 counties with the highest overall market scores are:¹³

Top 15 Counties with Highest Overall Market Scores

Top 15 Counties	Total Population	Consumer Potential	Unmet Consumer Demand	Private Pay Opportunity	Population Density	Ability to Pay	Workforce Availability	Home Care Wage Competitive-ness	# of HHA / PCA Agencies	Competition (Population per Agency)	Overall Score
Green County	37,098	9.9%	9.3	88.1%	64	\$59,703	57.1%	\$1.18	2	12,366	25
Jefferson County	84,808	9.6%	10.1	85.7%	153	\$61,070	58.4%	\$1.07	1	42,404	25
Kenosha County	168,743	9.4%	10.8	85.7%	625	\$61,090	60.1%	\$1.09	14	11,250	25
Rock County	163,522	9.1%	11.1	87.7%	229	\$56,998	57.7%	\$1.57	11	13,627	25
Winnebago County	171,304	9.5%	8.4	87.4%	399	\$54,206	60.0%	\$1.48	16	10,077	25
Calumet County	52,128	7.3%	7.1	86.8%	168	\$60,817	59.1%	\$1.72	4	10,426	24
Columbia County	58,219	8.6%	7.9	86.7%	77	\$61,187	58.8%	\$1.18	0	58,219	24
Dane County	555,474	6.9%	6.0	90.3%	487	\$71,214	62.5%	\$1.18	63	8,679	24
Walworth County	105,945	9.0%	9.5	87.6%	194	\$61,723	58.0%	\$1.07	7	13,243	24
Fond du Lac County	103,890	8.6%	11.1	86.0%	146	\$56,436	57.7%	\$1.08	3	25,973	23
Oconto County	38,691	10.2%	10.3	90.1%	39	\$58,980	57.1%	\$1.03	2	12,897	23
Outagamie County	189,620	8.0%	7.8	87.7%	305	\$59,160	59.2%	\$1.72	19	9,481	23
Polk County	44,806	10.1%	10.6	91.5%	49	\$58,453	56.7%	\$1.14	3	11,202	23
All Counties (Median)	19.7K	9.8%	10.7	86.7%	51	\$54.1K	56.4%	\$1.07		10.2K	20

Even within these higher opportunity counties, each individual market needs more in-depth consideration and exploration before launching a new cooperative venture. For example, Dane County, is an overall attractive market because of its higher-than-

¹³ For information about all 72 counties, see the full table on page 14.

average private pay opportunity, population density, median income, workforce availability, and home care wage competitiveness; however, it has comparatively low levels of unmet consumer demand *and* available data suggest a relatively high level of provider competition. It would likely only be worth establishing or investing in a new home care cooperative there if stakeholders on the ground could identify a specific consumer/service need that is not well served by the current market¹⁴ and/or a general need for higher quality care which could be delivered through the cooperative model.

The acquisition and conversion of an existing, successful home care business is a strategy that could be particularly well suited to the development of worker-owned home care businesses in places with good market conditions and competitive markets. As an example, a start-up home care cooperative launched in Dane County in 2019 and subsequently closed due to a mismatch between target clientele and payer type. In this situation, the acquisition and conversion to employee ownership of an operational home care company with a proven business model and existing consumer base and marketing strategy could have solved for some of these challenges. Acquisition and conversion are discussed further, below, in Cooperative Development Methods.

Areas With the Most Consumer Need: As noted, the areas of greatest consumer need tend not to have optimal market conditions. If RCAW wants to use its resources to support the development of new respite services in these areas, it can approach this problem in two ways 1) targeting locations where there is above-average consumer need *and* otherwise adequate market conditions, or 2) working with community partners in the hardest to serve areas to devise creative solutions to care provision.

Targeting locations with both consumer need and adequate market conditions: As a starting point, the following counties are our recommendations for locations with adequate market conditions *and* where a new cooperative could help RCAW make an impact on the care shortage.

The counties in the table below are highlighted because they are:

- Above median for at least one of the two demand measures (Consumer Potential or Unmet Consumer Demand)
- Above median for the sum of the rest of the measures – suggesting adequate market conditions in addition to consumer demand.

¹⁴ Examples include: a sub-area within the county that has higher levels of unmet need, a specific or specialized consumer group, or an organized caregiver group desiring higher job quality and ownership opportunities.

Counties with Unmet Consumer Demand and Adequate Market Conditions

Counties	Consumer Potential	Unmet Consumer Demand	Population Density	Ability to Pay	Workforce Availability	Wage Competitive-ness	Competition (Population per Agency)	Overall Score ¹⁵
Green County	9.9%	9.3	64	\$59,703	57.1%	\$1.18	12,366	25
Kenosha County	9.4%	10.8	625	\$61,090	60.1%	\$1.09	11,250	25
Rock County	9.1%	11.1	229	\$56,998	57.7%	\$1.57	13,627	25
Fond du Lac County	8.6%	11.1	146	\$56,436	57.7%	\$1.08	25,973	23
Oconto County	10.2%	10.3	39	\$58,980	57.1%	\$1.03	12,897	23
Polk County	10.1%	10.6	49	\$58,453	56.7%	\$1.14	11,202	23
Waupaca County	11.1%	11.8	69	\$55,233	57.1%	\$1.07	12,942	23
Kewaunee County	10.1%	9.4	60	\$59,881	56.0%	\$1.03	10,268	22
Manitowoc County	10.1%	11.1	138	\$52,272	56.7%	\$1.00	11,586	22
Douglas County	10.2%	6.1	34	\$51,025	59.0%	\$1.24	44,034	21
Juneau County	11.2%	11.5	35	\$50,292	57.7%	\$1.14	13,298	20
Marathon County	9.8%	11.9	90	\$56,593	57.3%	\$1.12	7,242	20
All Counties (Median)	9.8%	10.7	51	\$54.1K	56.4%	\$1.07	10.2K	20

The top 7 of these counties (Green, Kenosha, Rock, Fond du Lac, Oconto, Polk, and Waupaca) are also among the top 15 counties overall.

Working with partners to devise creative solutions in the hardest to serve areas: It is not impossible or unadvisable for RCAW to invest in cooperative development in areas with the very highest levels of unmet consumer need, even if the market conditions are quite challenging. The table below shows the 15 counties with the most unmet consumer demand (measured as the ratio of potential consumers to caregivers in the workforce).

Top 15 Counties with the Most Unmet Consumer Demand¹⁶

Counties	Consumer Potential	Unmet Consumer Demand	Population Density	Ability to Pay	Workforce Availability	Wage Competitive-ness	Competition (Population per Agency)	Overall Score ¹⁷
Iron County	15.2%	23.1	8	\$44,235	52.4%	\$0.55	3,037	17
Shawano County	13.7%	20.3	45	\$49,896	52.9%	\$1.00	5,938	18
Washburn County	12.9%	19.3	21	\$50,375	52.7%	\$0.55	8,281	19
Adams County	16.6%	19.2	32	\$46,774	54.5%	\$1.00	6,835	20
Burnett County	12.5%	19.2	20	\$51,400	51.7%	\$0.55	3,271	18
Price County	13.1%	19.1	11	\$44,847	53.9%	\$0.55	3,501	14
Bayfield County	12.7%	18.9	11	\$57,553	53.1%	\$0.55	8,016	19
Rusk County	12.8%	18.9	15	\$47,921	53.3%	\$0.55	14,182	19
Vilas County	13.5%	16.6	27	\$53,532	50.9%	\$1.00	11,407	21
Marinette County	13.5%	15.3	30	\$49,803	55.4%	\$1.00	6,953	21
Florence County	13.6%	15.1	9	\$49,197	55.9%	\$1.00	4,542	19
Marquette County	13.2%	15.0	34	\$49,496	54.1%	\$1.07	3,879	20
Ashland County	10.2%	14.6	15	\$48,099	55.3%	\$0.55	8,001	15
Menominee County	11.9%	14.3	12	\$51,154	51.8%	\$1.00	4,318	16
Richland County	11.8%	13.8	29	\$47,738	52.5%	\$1.07	8,677	18
All Counties (Median)	9.8%	10.7	51	\$54.1K	56.4%	\$1.07	10.2K	20

¹⁵ Weighted by population.

¹⁶ Ranked from most unmet consumer demand.

¹⁷ Weighted by population.

As the data in the table shows, the counties with the highest levels of unmet consumer demand perform below median on most of the other market condition criteria. Success in these areas will depend on strong partnerships and strategic attention to workforce development and recruitment which is discussed more below. Bayfield County, WI – where there are 19 potential consumers for every caregiver in the workforce – is an apt example of such a location where having a strong partner and committed partner like CORE Community Resources is essential.

Cooperative Development Methods

RCAW can consider four different methods for investing resources in home care cooperatives: 1) start-up of new home care cooperative businesses, 2) acquisition or conversion of existing conventionally owned businesses, 3) cooperative solutions for independent caregivers, and 4) expansion of existing home care cooperatives.

Start-Up: RCAW can invest resources and support in new home care businesses. The start-up of a home care cooperative looks very similar to the start-up of a traditionally owned home care agency. Often, one or more entrepreneurs will identify a need for quality home care employment and services, develop a business plan, raise capital, and prepare for launch. In an incubation start-up model, an existing organization will work to launch a home care cooperative, typically building the business and then recruiting workers to join the company as employees and owners (the “build and recruit” model). In this case, the incubating organization takes on the financial cost and risk of launching the business, and typically supports the new entity in the early years in the form of fiscal sponsorship, administrative and office support, and sometimes grant funding. Once the cooperative business is sustainable, the business becomes an independent entity.

RCAW's Start-Up Respite Grant Program is well suited to supporting start-up businesses led by both entrepreneurs and incubating organizations. RCAW could build this program by seeking additional funding partners. It may also be valuable to connect and share lessons learned with the Metropolitan Consortium of Community Developers (MCCD) in Minneapolis. MCCD is currently administering a program, funded by the Minnesota Department of Human Services, that is offering two-year \$100,000 grants for the start-up or conversion of employee-owned cooperatives offering HCBS services.

Acquisition and/or Conversion: Acquisition or conversion are options for transitioning an existing, conventionally-owned business to employee ownership. Conversion refers to a transition where a business owner(s) sells the business to a broad base of employees. Conversion is appealing to selling business owners looking to maintain their legacy and reward loyal employees through the sale of the business to their workers.

In an acquisition, an outside third party purchases a home care business with the intention to transition the company to employee ownership at the point of sale or shortly thereafter. A cooperative conversion via acquisition is similar to an owner-led cooperative conversion, with one key difference: the selling owner doesn't have to be fully invested in the cooperative model. One or more entrepreneurs or a community organization may initiate acquisition. The selling owner may stay on during the transition or interim management can be brought in to support the company while new leadership is established within the new cooperative agency.

Regardless of how it is initiated, cooperative conversions have many benefits for selling owners, employees, clients, and communities, including the safeguarding of jobs and services in the community. For parties like RCAW that are interested in supporting and investing in cooperative development, the primary benefit of the acquisition/conversion model is the time and energy saved by not having to launch a brand-new business. An acquisition of an existing business has the potential to include operating systems, licenses, contracts, staff, and clients in the sale of the business. Acquisition of existing contracts is the most expedited way to serve the public pay market, including Medicaid, Veterans Affairs, and state and county programs. ICA is well positioned to assist with the development of an acquisition/conversion strategy and can provide support on the development of acquisition criteria; guide the owner-led conversion process; and coordinate funding through our affiliated fund, the Fund for Jobs Worth Owning, in coordination with other mission-aligned lenders.

Cooperative Solutions for Independent Caregivers: RCAW could consider leading or supporting the development of cooperative solutions for caregivers working independently in the private pay market, those unaffiliated with agencies or with the IRIS program. Such solutions could include a cooperative structure that handles back-office functions, provides access to employee benefits, and referrals or other support for connecting to new clients. This could be a solution well-suited to hard to serve rural areas and could potentially align well with RCAW's respite focus. ICA recommends that RCAW or another group undertake a feasibility study before pursuing this strategy, including extensive outreach to assess the market for this among potential caregivers.

Expansion of Existing Cooperatives: As mentioned earlier in this report, many areas with strong market conditions are adjacent to Cooperative Care's area of service. RCAW should continue conversations with Cooperative Care about supporting them in conducting an expansion study to determine how much market share Cooperative Care could potentially expand into in the counties surrounding its current service area. If the study demonstrates that there is a strong opportunity, but Cooperative Care is not interested in expanding its operations, it could consider licensing its name and brand as another approach to expansion.

Workforce Development

Given the shortage of home care workers around the state, and the projected decline of working age people in many rural areas, the success of new cooperative ventures will be contingent on its ability to hire and retain workers. As worker-centered and controlled businesses, home care co-ops prioritize improved working conditions including better training and job support, higher wages, and opportunities for leadership and professional development. This "cooperative difference" is a market differentiator and can provide home care cooperatives with a recruiting advantage. But in the current workforce shortage crisis this is often not enough. A cooperative agency of any of the types/models listed above will need to dedicate serious resources and creativity to workforce development, recruitment, and retention. ICA recommends the following strategies for consideration.

Targeted Recruitment: When developing a business plan for a new cooperative enterprise, it is wise to focus on recruiting from specific groups. This allows the cooperative to develop a value proposition and recruitment marketing strategy that speaks to the values and work-related needs of the people it hopes to recruit. ICA has observed that home care cooperatives around the country have succeeded in targeting and employing older adults, family caregivers, immigrants, parents, and others who need part-time schedules or have encountered barriers to employment. April Stevens, Executive Director of Cooperative Care, has shared that while it is difficult to quantify, she believes that cooperative culture and practices do attract people who may have had a tough time making things work elsewhere, including older workers and for mothers.

New cooperatives could target the following workforces:

- **Older Adults:** Given the growth of the state's older population, establishing a cooperative that both employs and serves older people – sometimes referred to as Seniors Helping Seniors – is a model worth exploring. Whether it be seniors who are retired and active in the community, those who work limited hours and could benefit from supplemental income, or those who are actively seeking work, a caregiving cooperative focused on employing seniors would be a unique solution to the caregiving deficit.
- **Family Caregivers:** Family caregivers can be a good fit for cooperative caregivers. Family caregivers have caregiving experience which sometimes develops into a passion that extends beyond the family. Additionally, many family caregivers are not able to maintain previous work schedules due to their caregiving responsibilities, and therefore might appreciate the opportunity to work part time for an employer who understands their obligations.

- Men: As of 2021, men made up only 17% of Wisconsin's home care workforce.¹⁸ Given that industry stakeholders will need to recruit and train thousands of workers to meet the growing demand for services, men are a relatively untapped workforce. PHI notes that growing numbers of men with unpaid caregiving experience, and those who have lost other employment opportunities as local economies change, are particularly relevant recruitment targets.¹⁹
- Immigrants: Partnership with Workers Centers or other groups that support new immigrants coming into Wisconsin is another workforce development strategy worth considering. Cooperatives such as Home Support and Companionship in San Francisco and Golden Steps in New York focus on providing stable employment to immigrants who face language and other barriers to work.

Training Model: RCAW could focus on developing the workforce from the ground up, by partnering with training programs and community colleges to create a pipeline of potential workers. Lack of access to work opportunities is one barrier that keeps some young people from staying in rural areas, and caregiver cooperatives that can provide stable employment and ownership opportunities to young people interested in the field of health, or interested in serving their community, could be a strong job prospect for people just entering the workforce.

This model has extra potential right now given the training and hiring bonuses that will be made available through the Certified Direct Care Professional Program. Once launched, the WI DOH will provide a free, self-paced, 20-to-40-hour CDCP training program online and offer training and employment incentives.²⁰ Certified CDCPs will be automatically added to the Certified Direct Care Professional Registry to connect with WI employers and will receive a \$250 completion bonus once hired by a qualified provider and a second \$250 bonus after six months of work at a qualified employer.

The particular relevance and success of these strategies will depend on the focus areas of key partners and the demographics of the location where the new co-op is being developed.

¹⁸ PHI. "Workforce Data Center." Last modified September 2023. <https://phinational.org/policy-research/workforce-data-center/>.

¹⁹ Kezia Scales, PHI, 2018, "Men and the Direct Care Workforce," <https://www.phinational.org/resource/men-direct-care-workforce/>

²⁰ Wisconsin Certified Direct Care Professional Program: Exceeding National and State Standards. <https://www.dhs.wisconsin.gov/publications/p03320.pdf>

Next Steps and Conclusion

RCAW has undertaken a bold and innovative inquiry: exploring how investing in the cooperative model could be an impactful strategy for addressing the respite shortage across the state. Even in the strongest markets, home care is a challenging business. However, the "cooperative difference" in home care—respect for workers, better wages and benefits, training and career advancement, worker ownership, and voice—is a competitive advantage that offers a prospect of success. The Respite Care Association of Wisconsin's strong mission, existing programs, and deep understanding of consumer needs across the state primes future projects for success.

The opportunity analysis presented in this report paints a picture of the overall market, explores how market conditions vary from county to county across the state, and raises strategic considerations related to location and partnerships, cooperative development methods, and workforce development methods. RCAW can take what is offered here and assess where – geographically, programmatically, and strategically – you see potential from your organization's perspective. A likely next step would be to conduct stakeholder/partnership mapping as well as a SWOT analysis to identify potential strategies and next steps for vetting these strategies; ICA is prepared to continue to be a partner in these and other next steps.

Home based caregivers deserve dignity, respect, and professional rewards that match the social and economic value of their work. Home care clients deserve dignity, respect and available, affordable, high-quality care that allows them to live safely and comfortably at home. With diligent planning and careful implementation, the home care cooperative model can deliver on these outcomes in Wisconsin.

Appendices

Appendix 1: Service Types and Payers in Wisconsin

Service Types

In Wisconsin, nonmedical home care services fall into two service categories:

- **Personal Care Services:** Dressing, Grooming, Hygiene, Bathing, Toilet Assistance
- **Supportive Home Care Services:** Mobility, Errands/Shopping, Light Housekeeping, Meal Prep, Medication Reminders, and accompanying consumers on outings.
- An additional third category is respite care, in which a paid care provider is brought in to provide in-home support that allows a family caregiver to take a break. Respite care may be provided as Personal Care or Supportive Home Care Services.

Payers

Home care industry revenues come from two primary sources: public payers, distributed at the state level through Medicaid and state sponsored programs, and private payers including long term care insurance. Nationally, the public pay market is much larger than the private pay market. In Wisconsin, significant funds are also available for respite care.

Aging and Disability Resource Centers (ADRCs) are the entry point for people looking for information about home care services, including publicly funded long-term care programs. ARDCs assess a consumer's level of need for services, eligibility for long term care benefits, and provide information about the options available to the consumer.

- **Public Pay:** Wisconsin residents who are eligible for Medicaid funded long-term care support have two options:
 - **Family Care:** Family Care is a Medicaid long-term care program for older adults and adults with disabilities. Family Care serves more than 55,000 members across the state.²¹ Managed Care Organizations (MCOs) coordinate Family Care services.
 - **IRIS (Include, Respect, I Self-Direct)** is a program for adults with disabilities and elderly people who are Medicaid-eligible and who need the same level of care as someone in a nursing home. Nearly 26,000 people are enrolled statewide. IRIS is

²¹ <https://www.dhs.wisconsin.gov/familycare/index.htm>

a self-directed program; consumers in IRIS manage their own care budget and act as an employer to the workers they hire. They may hire workers directly or through a home care agency. Because the rates charged by home care agencies are often a lot higher than rates paid to directly hired caregivers, IRIS consumers are often able to stretch their care budget further and get more hours of care from a direct hire. Thus, many IRIS consumers prefer to hire workers directly rather than a worker from an agency. However, there is definitely demand for agency-employed caregivers due to the general shortage of available caregivers. Each IRIS consumer is assigned an IRIS Consulting Agency (ICA).

- **Private Pay** is a market made up of consumers who 1) pay out of pocket for all of their care needs, 2) Medicaid-eligible consumers who need more hours of service than they are eligible for, and 3) consumers who have purchased long-term care insurance.
- **Respite Care** can provide another source of revenue for home care agencies. The Respite Care Association of Wisconsin (RCAW) is contracted by the State of Wisconsin to coordinate respite care services including the Caregiver Respite Grant Program which provides financial support for family caregivers to hire the respite care provider of their choice for up to 5 days in every 60-day period. This grant is available when financial support through other caregiver support or long-term care waiver programs is unavailable or has been used up.²² RCAW does not regulate the rate charged by the respite care provider as long as it is consistent enough with local market rates.

Appendix 2: Regulatory Environment: Agency Licensure and Caregiver Training

Any new cooperative personal care agency will need to plan around the following licensure and caregiver training requirements.

Personal Care Agency Licensure Requirements

- **Personal Care Agencies must be licensed by the state:** In Wisconsin, agencies that provide in-home assistance with activities of daily living – such as bathing, dressing, walking, eating, and accompanying people to medical appointments – are called Personal Care Agencies (PCAs) and they need to be certified by the Wisconsin

²² Respite Care Association of Wisconsin

Department of Health (DOH). Individuals, tribes, county departments, independent living centers, home health agencies, and freestanding personal care agencies are all eligible to be certified as PCAs.²³ For a list of steps that must be followed by entities seeking certification as a Personal Care Agency, see Appendix 3.

- **Process for Seeking State Certification as a Personal Care Agency**
 - View the PCA online training modules before starting the application process.
 - Complete an application and submit the required application fee. The application and fee information can be obtained from a PCA certification specialist (608-266-2702, dhsdqalccs@dhs.wisconsin.gov).
 - Complete caregiver background checks as required for all applicants/legal representatives for any new certification.
 - Provide proof of being "fit and qualified" in compliance with Wis. Admin. Code § DHS 105.17(1)(e)
 - Complete Policies and Procedures that demonstrate compliance with Wis. Admin. Code ch. DHS 13 (reporting and investigation of caregiver misconduct) and Wis. Admin. Code § DHS 105.17 (personal care providers)

Caregiver Training Requirements

- **Personal Care Worker training requirements:** Under the Family Care Medicaid managed long-term care program, personal care workers must be trained in seven broad topics before they provide services, though no proof of competency is required.²⁴
- Wisconsin is launching a new program to train and certify Certified Direct Care Professionals (CDCP), who will be able to provide both Personal Care and Supportive Home Care. Certified CDCPs will be able to work in a variety of settings including home and community-based services (HCBS), nonmedical in-home care including IRIS, 1-2 and 3-4 bed adult family homes, and community-based residential care facilities (CBRFs). The program's goal is to certify at least 10,000 new direct care workers and it is expected to launch in 2023. Once launched, WI DOH will provide a free, self-paced, 20-to-40-hour CDCP training program online with a curriculum that exceeds local and national standards.²⁵

²³ Wisconsin Department of Health. <https://www.dhs.wisconsin.gov/regulations/pca/pca-application.htm>

²⁴ PHI, Personal Care Aide Training Requirements: A state-by-state analysis of training requirements for personal care aides. <https://www.phinational.org/advocacy/personal-care-aide-training-requirements/>

²⁵ Wisconsin Certified Direct Care Professional Program: Exceeding National and State Standards. <https://www.dhs.wisconsin.gov/publications/p03320.pdf>

Appendix 3: Metropolitan Statistical Area (MSA) Analysis

In addition to looking at county-level market conditions, it is instructive to look at areas of opportunity at the level of the metropolitan statistical area (MSA) and nonmetropolitan area. MSAs areas are areas with a population nucleus and significant economic ties at a regional level.²⁶

To analyze market opportunity at the MSA level, ICA looked at each data point and calculated the average for all of the Wisconsin counties located in an individual MSA; the average is a weighted average, rather than a flat average, meaning that it assigns more weight to the data of counties with larger populations.

Metropolitan or Nonmetropolitan Statistical Area	Counties Included in MSA Analysis ²⁷	Consumer Potential	Unmet Consumer Demand (Consumer to Workforce Ratio)	Private Pay Opportunity	Population Density	Ability to Pay	Workforce Availability	Home Care Wage Competitive-ness	Competition (Population per Agency)	Overall Market Opportunity Score ²⁸
Janesville-Beloit, WI MSA	Rock	9.1%	11.1	87.7%	229	\$56,998	57.7%	\$1.57	13,627	25
Appleton, WI MSA	Calumet, Outagamie	7.8%	7.7	87.5%	276	\$59,517	59.2%	\$1.72	9,685	24
Oshkosh-Neenah, WI MSA	Winnebago	9.5%	8.4	87.4%	399	\$54,206	60.0%	\$1.48	10,077	24
Madison, WI MSA	Columbia, Dane, Green, Iowa	7.3%	6.4	89.7%	413	\$69,378	61.7%	\$1.18	13,061	24
Chicago-Naperville-Elgin, IL-IN-WI MSA	Kenosha	9.4%	10.8	85.7%	625	\$61,090	60.1%	\$1.09	11,250	23
South Central Wisconsin nonmetropolitan area	Dodge, Grant, Green Lake, Jefferson, Lafayette, Marquette, Richland, Sauk, Walworth, Waupaca, Waushara	9.5%	9.4	86.9%	105	\$60,002	57.7%	\$1.07	17,368	23
Duluth, MN-WI MSA	Douglas	10.2%	6.1	84.9%	34	\$51,025	59.0%	\$1.24	44,034	20
Green Bay, WI MSA	Brown, Kewaunee, Oconto	8.3%	7.5	86.9%	433	\$58,229	58.2%	\$1.03	11,293	20
Milwaukee-Waukesha-West Allis, WI MSA	Milwaukee, Ozaukee, Washington, Waukesha	9.8%	4.9	83.3%	2,567	\$59,305	58.6%	\$0.96	5,391	20
Northeastern Wisconsin nonmetropolitan area	Adams, Door, Florence, Forest, Langlade, Lincoln, Manitowoc, Marinette, Menominee, Oneida, Portage, Shawano, Vilas, Wood	11.4%	13.0	87.8%	70	\$52,942	55.7%	\$1.00	10,211	19
Fond du Lac, WI MSA	Fond du Lac	8.6%	11.1	86.0%	146	\$56,436	57.7%	\$1.08	25,973	19
Minneapolis-St. Paul-Bloomington, MN-WI MSA	Pierce, St. Croix	7.4%	6.5	86.1%	118	\$58,083	58.0%	\$0.37	22,871	18
Racine, WI MSA	Racine	9.4%	6.5	84.9%	596	\$58,663	57.9%	\$1.13	6,579	18
Wausau, WI MSA	Marathon	9.8%	11.9	80.6%	90	\$56,593	57.3%	\$1.12	7,242	18
Northwestern Wisconsin nonmetropolitan area	Ashland, Bayfield, Burnett, Iron, Price, Rusk, Sawyer, Taylor, Washburn	9.5%	13.4	86.4%	16	\$52,879	54.6%	\$0.55	28,147	18
Eau Claire, WI MSA	Chippewa, Eau Claire	9.2%	7.0	84.2%	130	\$56,280	59.1%	\$1.39	8,879	17
La Crosse-Onalaska, WI-MN MSA	La Crosse	8.6%	8.5	78.6%	271	\$54,060	59.6%	\$0.64	17,184	17
Sheboygan, WI MSA	Sheboygan	12.0%	13.5	85.0%	232	\$51,554	55.5%	\$0.65	3,712	17
Western Wisconsin nonmetropolitan area	Barron, Buffalo, Clark, Crawford, Dunn, Jackson, Juneau, Monroe, Pepin, Polk, Trempealeau, Vernon	9.6%	10.3	84.4%	42	\$52,138	55.4%	\$1.14	16,124	17
All Counties Median		9.8%	10.7	86.7%	51	\$54.1K	56.4%	\$1.07	10.2K	N/A

²⁶ ICA uses the MSA definitions and boundaries provided by the Bureau of Labor Statistics.

²⁷ Some metropolitan statistical areas (Chicago-Naperville-Elgin, IL-IN-WI MSA; Duluth, MN-WI MSA; La Crosse-Onalaska, WI-MN MSA; Minneapolis-St. Paul-Bloomington, MN-WI MSA) encompass counties in multiple states. For this analysis, we only included data from the counties located in Wisconsin.

²⁸ Weighted by population.

The following profiles describe the market advantages and disadvantages of the top 4 MSAs and Nonmetropolitan Areas to help demonstrate what makes some markets better than others and to illustrate the fact that even relatively desirable markets have factors that will make the market challenging to operate in.

The data provided here for the MSAs and Nonmetropolitan Areas is a weighted average of the Wisconsin counties located within the MSAs. The data and the overall score assigned to the MSA provide an assessment of the opportunity within the MSA as a whole; individual counties within the MSA may have better or worse market conditions, however.

MSAs with Highest Market Opportunity

Janesville-Beloit, WI MSA

- Counties Included: Rock County
- Total Population: 163,522
- Market Advantages – these are the conditions that make the MSA an advantageous place for starting a home care business:
 - While the percentage of the population in the home care consumer pool (9.1%) is lower than the county-level median (9.8%), the relatively high ratio between potential consumers and caregivers in the workforce (11.1 to 1) demonstrates that there is unmet consumer demand. ICA found data on 11 home care agencies located in Rock County. However, given the relatively large population and high population density we believe that the market isn't too competitive.
 - 87.7% of the estimated home care consumer pool is not enrolled in either IRIS or Family Care MCOs, suggesting either a high private pay opportunity or untapped public market.
 - While average home care wages are higher than average retail and food service wages across the whole state, the wage differential is even greater in this MSA creating a greater recruiting advantage.
- Market Challenges – these are the conditions that make the MSA a challenging place for starting a home care business:
 - There is a smaller proportion of the population that is in the workforce age group than in some MSAs.

Appleton, WI MSA

- Counties Include: Calumet County and Outagamie County

- Total Population: 241,748 (189,620 in Outagamie County where the City of Appleton is located, and 52,128 in Calumet County)
- Market Advantages:
 - There is a strong private pay opportunity with 87.5% of the estimated home care consumer pool within the MSA not enrolled on IRIS or Family Care and a medium high median household income (\$59,517).
 - Home care wages are higher when compared to competitors in the retail and food service industries and there is a large pool in the workforce age demographic (59.2% of the total population) to recruit caregivers from.
 - Looking at the county level, both Calumet and Outagamie Counties have a great potential workforce age pool. While both counties have relatively high population density, Outagamie County would be an easier location because it is more densely populated.
- Market Challenges:
 - This MSA ranked low for consumer potential with more competition for consumers due to the number of HHA/PCA agencies located in the area. Consumer potential is higher in Outagamie County than in Calumet.
 - With a significant number of HHA/PCA agencies already established in the area, there is more provider competition than in some other MSAs. Competition is the greatest differentiating factor between the two counties and is more pronounced in Outagamie County where there is a larger population and there are already 19 HHA/PCA agencies located.

Oshkosh-Neenah, WI MSA

- Counties included: Winnebago County; including the City of Oshkosh
- Total Population: 171,304
- Market Advantages:
 - Data suggests that worker recruitment wouldn't be as challenging in this MSA as in some others. With 60% of the total population in the workforce age group, there is stronger workforce potential than in almost any other MSA/county. Wages may also support recruitment efforts. On average, the median home care wage in this MSA is \$1.48 per hour higher than the combined average retail and food service wage.
 - The private pay market has good potential, with 87.4% of the home care consumer pool not enrolled in IRIS or Family Care MCOs. However, median income is on the lower end of the spectrum compared to other areas which complicates this reading.
- Market Challenges:
 - Unmet consumer demand and competition: Both the caregiver to workforce ratio (8.4) which is lower than some MSAs, and the ratio of

population to existing home care providers, suggest that this is a relatively competitive market.

Madison, WI MSA

- Counties Included: Columbia (Population 58,219), Dane (Population 555,474), Green (Population 37,098), Iowa (Population 23,715)
- Total Population: 674,506
- Market Advantages – The Madison WI MSA is an attractive market due to a combination of strong private pay opportunity, population density, income, and workforce availability:
 - The private pay market has good potential, with 89.7% of the home care consumer pool not enrolled in IRIS or Family Care MCOs and comparatively high median household income of \$69,378.
 - Conditions are favorable for workforce development and recruitment, with 61.7% of the population within the work force pool.
 - Looking at the county level, Green and Columbia Counties are the best county-level market opportunities within the MSA.
- Market Challenges:
 - There is not as much demand or consumer potential in this MSA as in others – both the share of the population that is in the home care consumer pool and the caregiver to workforce ratio are lower than the county median.
 - Looking at the county level, Iowa and Dane Counties present more market challenges than Green and Columbia Counties, but for different reasons.
 - Iowa County presents the least market opportunity within the MSA, with less demand, low population density, and more competition over a small population.
 - Dane County is a significant population nexus and is a desirable market to serve. As a result, there's a high level of competition with 63 HHA/PCA agencies located in the county.