



# Insights

Home-Based Care | November 2025

## The Tech-Enabled Evolution of Home-Based Care

### How Technology is Shifting Care from Hospital to Home

#### Key Takeaways:



Fueled by demographic shifts, patient preferences, and payor incentives, home-based care has evolved from a peripheral service into a central pillar of the U.S. healthcare system.



Digital tools—from remote monitoring and AI-driven analytics to workflow and revenue cycle management software—are helping clinicians and caregivers deliver more efficient, coordinated, and high-quality care outside traditional settings.



With decades of investment experience across home-based care, healthcare services, and healthcare IT, THL brings a deep perspective on how innovation can expand access, empower caregivers, and strengthen care delivery where it's needed most.



The concept of receiving care at home is not new, but its scope continues to evolve. People generally prefer to receive care where they feel most comfortable—and often, that’s not under the harsh lights of a hospital emergency room.

What was once a supplementary service for short-term recovery or basic support is now a cornerstone of care delivery. Today, patients of all ages receive a wide spectrum of services at home: illness and injury recovery, daily living support, and chronic disease management, to name a few. Wearable devices, remote monitoring tools, and connected platforms are empowering patients and clinicians to manage care more proactively, tracking vital signs, medication adherence, and recovery progress in real time.

At THL, we believe home-based care has significant structural and secular tailwinds. The U.S. population aged 80 and older is projected to grow nearly 4% annually through 2040, while payors continue to shift utilization toward lower-cost services such as home health, personal care, and hospice. Studies consistently show that patients treated at home experience lower readmission rates, higher satisfaction, and better quality of life than those in institutional settings. With technology adoption accelerating, the sector is poised for significant growth and advancement across multiple dimensions of care.

“Powerful demographic shifts, economic incentives, and advancements in technology have already led to significant growth in home-based care, and we’re still in the early innings,” said **Joshua Nelson**, Managing Director and head of THL’s Healthcare vertical. “In THL’s decades of experience across provider and payor services, pharma services, and healthcare IT, we’ve seen how purpose-built technology can drive dramatic progress in expanding access, empowering caregivers, and helping care models reach their full potential.”

# Tailwinds Driving Care to the Home

Home-based care continues to benefit from enduring demographic and economic tailwinds. The aging population, rising healthcare utilization, and payor incentives driving care toward more cost-effective settings have made home-based care one of the fastest-growing and most resilient segments of the healthcare sector. These structural dynamics underpin the sector's long-term potential and set the stage for continued innovation and consolidation.

## 01

### **Demographic Tailwinds:**

Seniors overwhelmingly prefer to age in place. Home health and hospice volumes are expected to rise sharply as the 80+ population expands<sup>1</sup>.

## 02

### **Cost Pressures:**

Home-based care remains one of the most efficient care models, with significantly lower cost vs. comparable care at hospitals or nursing homes.

## 03

### **Spending Trends:**

Home health spending is projected to grow 6-8% annually, while hospice is expected to grow even faster at 8-10%. Personal care spending already exceeds \$90 billion, funded primarily by Medicaid<sup>1</sup>.

## 04

### **Fragmentation and Consolidation:**

The provider landscape remains highly fragmented, with 25,000-30,000 local operators—creating opportunities to build scaled platforms through constructive consolidation, sharing best practices and driving operational synergies.<sup>3</sup>

## 05

### **Labor Productivity:**

While workforce shortages remain a challenge, technology is helping caregivers and clinicians do more with less, streamlining documentation, scheduling, and communication so more time can be spent on patient care.

In a recent episode of THL's podcast, [Healthcare in Action](#), Jon Lange, Director, THL, discussed several of these points with Katie Tardiff, Senior Vice President of Clinical Programs and Services at Careforth, a leader in home-based support for family caregivers.

“You can’t look at the news today without hearing about the aging population,” explained Tardiff. “What we know is that as people age, they are more likely to need care and support. We’ve also discussed the priority people place on being cared for at home, which drives a massive workforce shortage. How do we facilitate this want, this need? Our aim is to reach that ever-increasing number of caregivers, so we can offer them the care and support needed to keep their loved ones at home.”



# Technology as an Enabler

The global home-based care software market was valued at roughly \$15 billion in 2023.<sup>2</sup> We believe several factors are fueling the sector's momentum and reinforce its long-term growth potential.

For decades, home-based care providers have faced operational challenges similar to many distributed care delivery businesses, including paper records, decentralized staff, and inconsistent workflows. But as technology adoption accelerates, the industry is entering a new phase of digital maturity. While digitization of health records and billing is well underway, workflow tools, automation, and AI are increasingly driving insight, resource optimization, real-time decision-making, billing accuracy, and ultimately better patient experience and outcomes.

“We use this framing of System of Record, System of Intelligence, and System of Action,” explained Adrian Schauer, co-founder and CEO of AlayaCare, in a recent episode of [Healthcare in Action](#). “And if you can be all three or at least deliver an integrated experience, you have a real capability to shape how care gets transformed... Every time a vital is captured, every time a form is completed, every time we get an update to medical history, a risk score is recalculated. We’re not replacing the clinical decision. We’re empowering the clinician to just have to focus on the things that really matter.”

Technology innovation is transforming home-based care just as it has in facilities, but solutions built for hospitals and offices don't always translate to the realities of care delivered in the home.



“Home-based care has created demand for new technology with a clear role for automation and AI-driven insights,” said Megan Preiner, Managing Director at THL. “Unlike a hospital or clinic, it’s inherently decentralized, and care may be delivered by a licensed clinician or a family caregiver. The work is mobile, patients’ needs vary by household, and technology must adapt to that reality. The systems supporting this ecosystem have to do more than streamline workflows—they need to help caregivers make smarter, faster decisions where care happens so that they can deliver better patient care.”

This need for adaptable technology is driving innovation across multiple key areas:



▶ **Next-Generation EMRs:**

Cloud-native, AI-enabled platforms that integrate documentation, compliance, and analytics for better record keeping.



▶ **Patient & Caregiver Engagement:**

Digital tools connecting clinicians, patients, and family caregivers through education, monitoring, and secure communication to improve care coordination and adherence.



▶ **Workflow Optimization:**

Software that automates workflows like scheduling, referrals, and remote patient monitoring to reduce administrative burden and improve care delivery.



▶ **Reimbursement Optimization:**

Automated billing and claims systems that reduce denials, ensure compliance, and improve payor coordination.



▶ **Workforce Management:**

Software that enhances productivity, credentialing, and labor forecasting amid persistent workforce shortages.



▶ **Predictive Analytics:**

AI-driven platforms that help home health and hospice providers optimize care planning, identify at-risk patients, and improve clinical outcomes.

## Some of the Innovators We're Watching



### **AlayaCare:**

Cloud-based home and community care software for managing care delivery and operations.



### **MatrixCare:**

Comprehensive EHR platform for long-term, post-acute, and home-based care providers.



### **Wellthy:**

Family care coordination platform offering personalized support for complex care needs.



### **Trella Health:**

Data and analytics platform helping post-acute providers manage referrals and growth.



### **Tango:**

Designs provider networks and reimbursement models aligning payors and providers.



### **Dragonfly Health:**

Data-driven tech platform that helps support and optimize at-home delivery of drugs and DME..



### **SmartLinx:**

Workforce management software for senior care and skilled nursing organizations.



### **Mosai (the recent combination of Medalogix and Forcura):**

Predictive analytics platform helping home health and hospice providers optimize productivity and improve patient outcomes.

“The healthcare system is strained, consumer preferences are evolving, and technology is creating new pathways for efficiency,” said **Andrew Garske**, Vice President at THL. “When better outcomes can be achieved at home, it's a win-win-win: better for the patient, better for the provider, and better for the payor.”

# The Future of Home-Based Care

Technology adoption in healthcare has historically lagged behind other industries, but the technology landscape for home-based care is rising to the challenge. Digital solutions are reducing costs, improving outcomes, and redefining how care is delivered and managed. Accelerated by the COVID-19 pandemic and supported by macro trends and technology innovation, the home has become an increasingly vital – and technology-forward – site of care.

THL has long invested at this intersection of healthcare and technology—from its early experience in hospice platforms to more recent investments in healthcare IT companies that modernize connectivity, workflow automation, and data management. The firm's home-based care franchise, which has included partnerships with organizations including **Autism Home Care Holdings**, **Curo Health Services**, **Hospice Care**, and **Careforth**, reflects a consistent strategy: backing teams that leverage technology to make care more personal, efficient, scalable, and effective.

“Home-based care is becoming one of the key pillars of modern healthcare,” added **Jon Lange**, Director at THL. “As demographics shift and technology advances, the next decade will be defined by how effectively we deliver care beyond traditional settings and how that will allow us to empower clinicians, support caregivers, and reach patients where they most want to be.”

To learn more about THL's decades of experience investing in home-based care and healthcare technology, visit [www.THL.com](http://www.THL.com) or contact us today.

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<sup>1</sup> Tanquilut, Brian, Jack Slevin, Meghan Holtz, and Cameron Harbilas. Healthcare Services & Facilities: Post-Acute Primer. Jefferies, June 2025.

<sup>2</sup> EY-Parthenon

<sup>3</sup> Bain & Company Post-Acute Landscape.

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