

eCaring
White Paper
The Future of Home Health Care

Over the next few years, millions of baby boomer and other consumers will face that terrible transformational moment when a parent or loved one requires health care in their home. They will begin paying thousands of dollars a month for care, and will desperately want answers to a simple question that today cannot be answered: What's going on?

Millions of people are already affected by the current inability to answer that question easily and accurately -- family members and care managers for around 9 million people receiving home health care, and the estimated 45 million people who are caregivers to family and friends, which takes a terrible toll on them, in stress, illness, and lost days at work. (see the New York Times article at http://www.nytimes.com/2008/11/11/health/11brod.html?_r=1&scp=4&sq=home%20caregivers&st=cse) and see "Note" at the end of this paper.

Several years ago, I was one of them, and have first hand knowledge of how hard this can be, and what would have made my family's life much easier.

Nobody is ever prepared for this difficult change, emotionally or logistically.

Around 3 million people pay directly for home health care for family members. Medicaid and Medicare provide funds for another 6 million. None of them have practical, effective ways to assess what care is being delivered. Nor are there efficient, accurate low cost means to provide timely documentation as to what care is actually provided.

And yet, the intersection of several major trends will increase the home health care population -- the sharp increase in the number of elderly, public policies and insurance practices that drive towards home health care vs. institutional, supported by the clear assessment that home health care provides a better quality of life at a lower cost. (<http://divinityhomecare.com/facts.html>)

eCaring is driven by the enormous need to support and enhance home health care for tens of millions of Americans by improving the

quality and timing of the information those responsible for home health care can obtain and use.

Over \$50 billion is now spent on home health care (http://www.businessweek.com/investor/content/sep2008/pi20080910_761489.htm?campaign_id=rss_null) . Yet the practical limitations of the English literacy and computer skills of most home health aides mean that those who pay for and oversee home health care, and those who receive it, are effectively denied access to the substantial benefits of Web-based real time communication and electronic reporting and records.

eCaring solves that problem. Its unique, patent pending icon-based system enables home health workers, regardless of their computer skills or English language literacy, to enter large amounts of information regarding the care and status of a home care recipient, from their activities of daily living to their state of mind. eCaring also enables seniors living alone to self-report on their activities, giving them the opportunity to demonstrate their competence to live alone while providing reminders and cues for essential tasks, such as meals, medications and drinking water.

With eCaring, caregivers, adult children and family members, or others responsible for home care for the vast US aging population can for the first time use the Web to know in real time what care is being delivered, what the condition of the home care recipient is, and they can immediately spot any new trends or changes in condition.

eCaring will enable millions of consumers and care managers to finally be able to answer the daunting home health care question: What's going on? In doing so, it opens up potential markets of several billion dollars.

eCaring expects to generate revenues through providing a monthly subscription service. It also plans to obtain fees from agencies and service providers managing home health aides, so they can manage their administrative and financial functions to improve quality control and provide faster, easier, more accurate documentation. As it becomes adopted, numerous people in a tightly defined demographic will have to visit the eCaring website frequently, opening up sell-through and advertising revenues.

Our rollout strategy begins with the 3 million consumers who pay directly for home health care for a family member, often thousands of

dollars per month. They hand over the keys to Mom's house without a clue as to what's actually taking place inside it. By using eCaring, they can follow in real time the activities and status of the home care recipient, and instantly be aware of changes in trends and conditions. Our monthly subscription fee is a small fraction of what they are already paying, and will bring them greater piece of mind and the ability to make sure the care they are paying for is the care that is being given.

As we establish eCaring with consumers who are directly involved with their family member's home health care, we will start working with agencies and institutions who provide and account for home health care for millions of Medicaid and Medicare recipients, so that all people regardless of income can receive the best care services.

We also plan to enter into strategic alliances with health care networks and hospital complexes, creating a continuum of care. Through these arrangements we plan to leverage geriatric care services to capture their discharged patients who require home care while connecting those recipients back to the institution for their inevitable ongoing medical needs. We expect to acquire users through a broad network of hospital discharge services, geriatric care managers, eldercare professionals, employee assistance programs, and retirement communities.

In doing so, we create the need for large numbers of a well-defined consumer demographic to visit our Web site frequently. This traffic creates substantial additional revenue opportunities, such as advertising and sell-through. We will build out community and social networking services to make eCaring.com a destination for the millions of consumers involved in home health care. We would expect to partner with organizations such as AARP and managed care companies to distribute our system. We are compatible with Google Health, Microsoft Vault, Revolution Health and others trying to make electronic record keeping more accessible, for no one else in the market has the ability to generate such records for home health care.

eCaring's home computer version has been extensively tested and is ready for deployment on a large scale. Our touchscreen interface is nearly finished, opening access to all homes regardless of whether or not they have a PC. Our Board of Advisors gives us access to major health care players and networks, and extensive Internet marketing experience. We are seeking funds to finish product

development, build out our website, and support marketing and business development.

Once we attain traction in the elderly home care markets, there are many other areas which would benefit from using our unique systems, such as child care, physical therapy, and prisons. We will also be able to bring greater peace of mind and involvement for families with loved ones in an intuitional care setting, such as assisted living or a nursing home. And we expect to add numerous additional products and services to our core offering.

Note:

The Statistics regarding the burden on family caregivers speak for themselves:

The impact on those taking on the role of caregiver is clearly enormous:

- 7% of all caregivers and 18% of those also caring for children stopped work in order to take care of the care recipient.
- 40% of the caregivers stated that they had to take time off without pay for an average of 17 days of work missed per year due to caring for a disabled elder, and these lost workdays translated to lost earnings of \$5,393 per year.
- 40% of working caregivers are currently employed fewer hours than they would like.

(Source: Cohen, M.A.; Weinrobe, M.; Miller, J. (January 2000) Informal Caregivers of Disabled Elders with Long-Term Care Insurance. *U.S. Department of Health and Human Services (HHS), Office of Disability, Aging and Long-Term Care Policy (DALTCP) and LifePlans, Inc.*)

More than the financial and physical constraints, the emotional impact of being a caregiver is also very difficult:

- Over half (55%) stated that they do not sleep through the night as a result of providing care.
- Providing care has more of an emotional effect on caregivers than physical although about one-quarter of

the respondents agreed that caring caused their health to get worse.

- Most informal caregivers reported that caregiving is hard on them emotionally and limits their privacy and social or free time. Moreover, many feel that the care-receiver needs medical care that they cannot provide and that they have to provide the care-receiver with constant attention.

AoA also reports that “caregivers for the elderly report lower work performance, decreased physical well being, and diminished levels of satisfaction at work and at home.” In addition, “70% of employers fell that caregiving-related staffing problems have increased over the past ten years, and 92% believe these problems will increase over the next ten years.

The dramatic impact of easing the burden of caregiving is stated by AoA: “*Funds spent to help with caregiving have a payback to the employer of 2.5 to 5 times the cost.*”