2026 Outlook:

# Home Health, Hospice, and Personal Care

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# Introduction

Home-based care remains one of the most strategically important segments in healthcare, with continued interest from healthcare operators and financial buyers. Several factors support ongoing growth in the sector, including aging demographics, pressure to move care into lower-cost settings, technologies and care delivery models enabling higher acuity care to be provided in the home, and growing reliance on home-based services in Medicare Advantage (MA) and other value-based models.

Based on our work in the home care space, we continue to see higher multiples in pure-play hospice than in Medicare-certified skilled nursing home health due to many of the factors discussed throughout this outlook. Within the home care subspecialties, higher-acuity care at home, including hospital-at-home, SNF-at-home, palliative care, infusion, and home-based primary care, have all seen continued growth in recent years. On the regulatory front, the federal government recently issued a moratorium on new home health and hospice agencies to combat fraud and abuse in the sector, and certain states have also cracked down on Medicaid providers in the space.

This outlook provides background information on many of the home care business models we work with, and it provides insight into the main factors impacting the market.

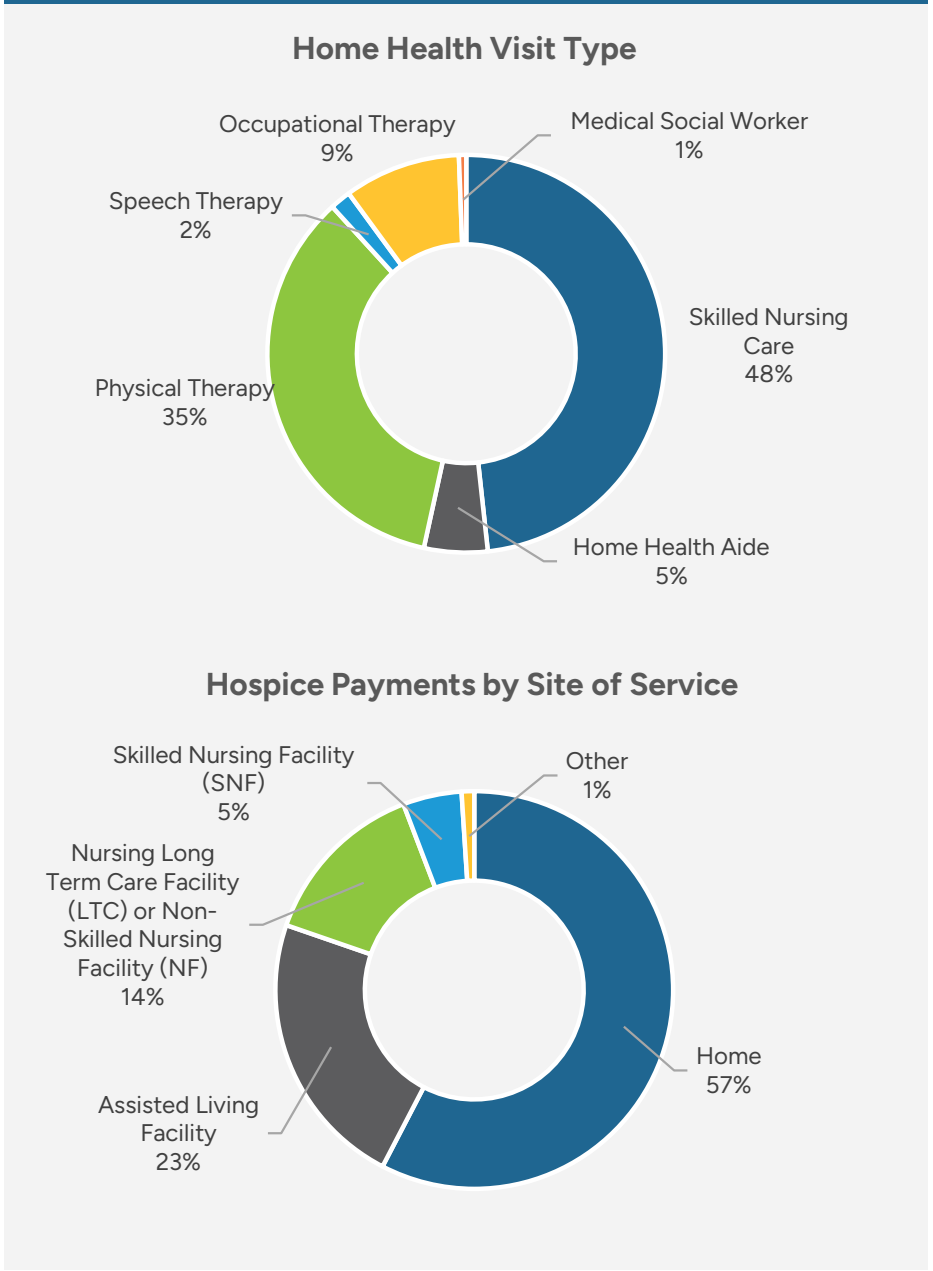
# Background

Home healthcare is the provision of medical care in the patient's home following an injury or illness. The patient's "home" can range from personal residence, skilled nursing facility, assisted living community, or wherever the patient calls home. Common home healthcare services include patient monitoring, medication management, patient fall assessment, palliative care, diet and nutritional deficiencies identification, mental health observation, patient education, and functional support such as dressing and feeding patients. In order to qualify for Medicare reimbursement for home health services, the patient must be unable to leave their home without considerable effort and must require part-time or intermittent skilled care, as certified by a physician.

Hospice is a type of healthcare that provides comfort to patients with a prognosis of less than six months to live. In many cases, hospice is provided in a home setting as a type of home healthcare. Personal care is defined more broadly and may include medical and non-medical care provided in the home; can be provided by a wide range of healthcare professionals and non-clinical caregivers, including family members; and is reimbursed under several different models, including Medicaid, private insurance, and cash pay.

Home healthcare agencies engage a variety of providers and non-providers, including nurses, therapists, and social workers, with care coordinated with the patient's physician. Hospice care is provided through many of the same types of providers as home health but can also include religious or spiritual counselors and bereavement specialists. Hospice care can also include services outside of traditional medicine, including animal and music therapy. Personal care can be provided by family members or caregivers employed by a personal care agency.

**Figure 1: Home Care Market Statistics[1]**




1 Data.CMS.gov; Accessed April 10, 2026

## Size of the Market

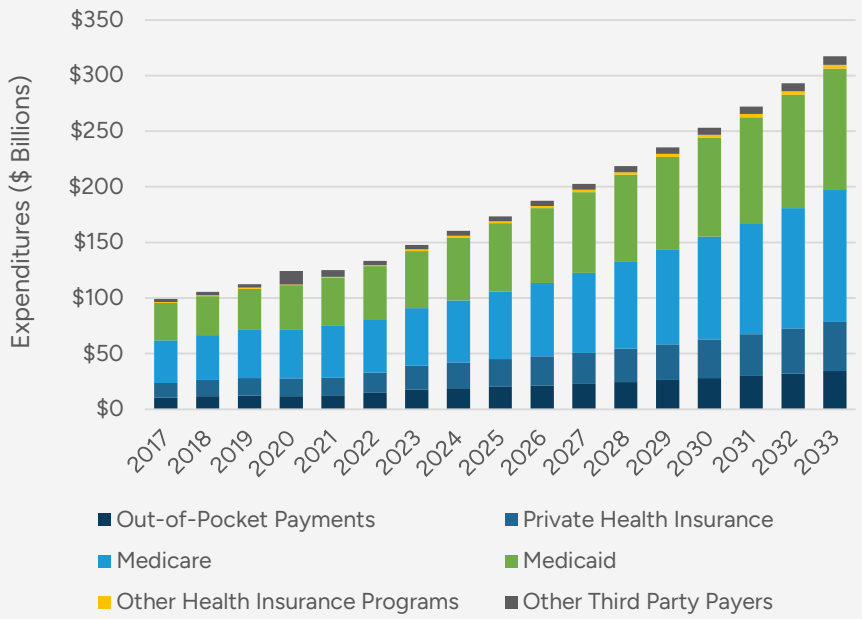
MedPAC reports that the number of home health agencies increased to 12,057 in the most recently reported year, while Medicare-participating hospices rose to 6,535. Fee-for-service (FFS) Medicare home health users declined to 2.7 million, but hospice beneficiaries reached 1.74 million.[2] The decline observed in Medicare FFS home health beneficiaries was primarily driven by the shift to MA, although within the FFS population, utilization declined as well. Nearly all of the increase observed in the number of home health agencies participating in Medicare was driven by growth in Los Angeles County, California, which has been the subject of ongoing investigations by governmental regulatory bodies.

**Figure 2: Home Health and Hospice Market Size**

| | Home Health | Hospice |
|---|---|---|
| Number of Agencies | 12,057 | 6,535 |
| Medicare Beneficiaries Receiving Services | 2.7 million | 1.74 million |

According to CMS, total expenditures for home healthcare in 2024 were $169.4 billion.[3] Home healthcare expenditures had been increasing at a rate of approximately 6% to 7% per year from 2017 through 2024. In 2020, expenditures increased approximately 11% but remained flat in 2021. The large increase in 2020 was related to the COVID-19 pandemic as patients preferred to avoid long-term care and other healthcare facilities, which were often the source of COVID-19 outbreaks. **Figure 3** presents home health expenditures from 2017 through 2024, as well as projected expenditures through 2033. CMS projects annual increases of approximately 8% for home healthcare expenditures through 2033.

**Figure 3: Home Health Expenditures[4]**




There are many growth drivers impacting the increase in home healthcare expenditures in the United States. Major factors include the aging population, the shift to value-based care and recognition by providers and payors that home healthcare can help reduce readmissions, and the overall push to control costs within the healthcare system. In particular, home healthcare is increasingly being utilized to keep elderly patients in their homes as opposed to assisted-living communities. Home healthcare providers are also being used as an alternative to, or extenders of, primary care physicians, and this trend is expected to accelerate as the shortage of primary care physicians is anticipated to worsen in the coming years.[5]

2 MedPAC.gov; Payment Basics; Accessed June 8, 2026
3 CMS.gov; CMS analyzed healthcare expenditures based on funding sources, as well as site of service; therefore, healthcare expenditure data for home healthcare includes hospice spending that takes place in the home of the patient but does not include hospice spending taking place in a nursing facility, hospital, or any other clinical setting.
4 Id. at 1
5 Yale School of Medicine; https://medicine.yale.edu/news-article/increases-in-physician-attrition-rates-could-worsen-shortages/; Accessed April 10, 2026

# Reimbursement

## Home Health

Home health reimbursement has been a persistent headwind for the industry in recent years. In 2020, CMS implemented the Patient Driven Groupings Model (PDGM), a 30-day episodic payment method, which created uncertainty and implementation challenges for many providers while also creating opportunities for other providers who benefited from more adequate compensation for the level of care provided. Although last two CMS payment updates have been less than 1% increases, the 2026 final rule is estimated to result in a 1.3% aggregate reduction in home health reimbursement. This 1.3% reduction includes a temporary adjustment of negative 2.7% that offsets a net increase in the market basket (+2.4%) minus behavioral adjustment (-0.9%).[6] The temporary adjustment is based on prior period overpayments since the implementation of PDGM, and there will likely be future temporary adjustments based on CMS's estimated overpayment.

**Figure 4: Home Health Final Rule**

| Component | Contribution | Notes |
|---|---|---|
| CY 2026 home health payment update | 2.4% | Final payment update estimated to increase payments by 2.4% |
| Permanent adjustment | -0.9% | Final permanent (Behavioral) adjustment estimated to decrease payments by 0.9% |
| Temporary adjustment | -2.7% | Final temporary adjustment estimated to decrease payments by 2.7% |
| Fixed-dollar loss ratio / outlier update | -0.1% | Updated FDL ratio for outlier payments estimated to decrease payments by 0.1% |
| **Net Impact** | **-1.3%** | **CMS estimates aggregate CY 2026 Medicare payments to HHAs will decrease by 1.3%** |

Moreover, CMS has repeated numerous cycles of proposing large payment reductions in the proposed rule, only to change course and implement a less severe payment update in the final rule. MedPAC also continues to recommend payment reductions in home health, with its most recent report calling for a 7% reduction in reimbursement. This ongoing uncertainty, as well as modest pay increases or reductions in Medicare FFS reimbursement, has weighed on M&A activity and investor interest in the space.

MA plans also continue to pose challenges for many operators in the home health space. MA plans can have reimbursement structures tied to a percentage of Medicare FFS, per visit, or other episodic-based structures. MA plans typically reimburse less than Medicare FFS, and some large operators have either walked away from MA plans or threatened to in an effort to renegotiate better rates. In our experience, operators have been pushing MA plans toward episodic reimbursement models as opposed to per-visit models, where possible, and have benefited from these shifts when they have taken place. Operators have also dealt with higher levels of denials and prior authorization issues, similar to those reported by other healthcare providers, with respect to their MA contracts in recent years. With the MA market currently experiencing turmoil due to changing reimbursement from CMS, there remains uncertainty over the outlook for home health providers contracting with these plans.

6 CMS.gov; https://www.cms.gov/newsroom/fact-sheets/calendar-year-cy-2026-home-health-prospective-payment-system-final-rule-cms-1828-f?utm, Accessed April 14, 2026

### Hospice

Hospice reimbursement is based on a daily payment rate that is determined according to a fee schedule depending on the level of care provided. There are four levels of care that can be provided under the hospice Medicare benefit, each with its own payment rate. The most common is routine home care, which accounts for 98% of all hospice days and has a 2026 payment rate of $231 per day for the first 60 days, and $182 per day thereafter. The four levels of care and the associated base payment rates are presented in **Figure 5**.[7] The base rates are then adjusted to reflect different labor costs in different geographic locations throughout the United States. There is a cap on aggregate hospice payments per patient, which, for FY 2026, is $35,361. Payments exceeding this cap can result in clawbacks by CMS in subsequent years. CMS's 2026 final rule resulted in an estimated 2.6% increase in total payments to hospice providers.[8]

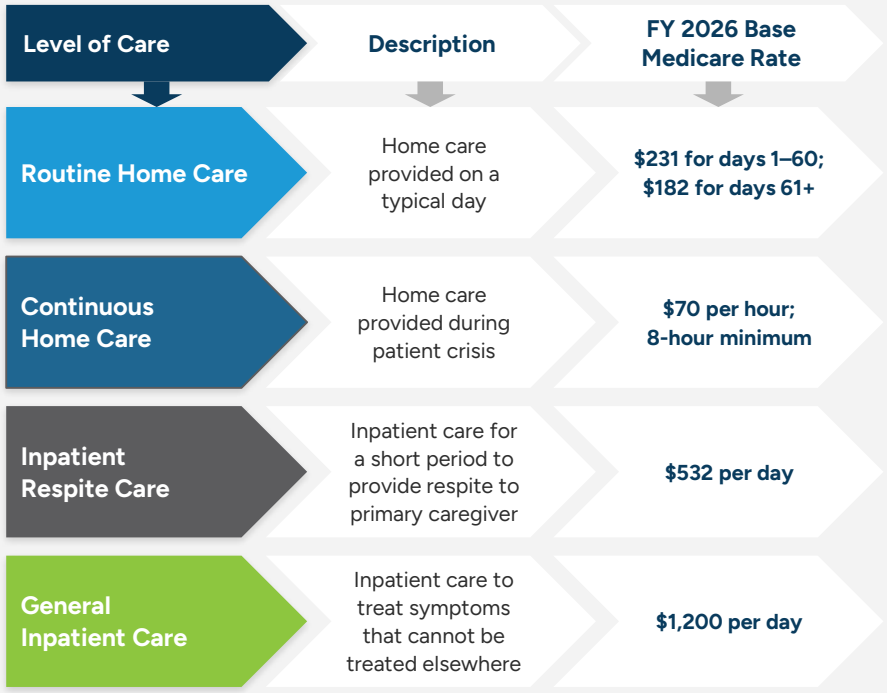
## Personal Care

Reimbursement for personal care services varies from state to state and can be paid for by Medicaid, MA, private insurance, or cash pay patients. Many state Medicaid plans reimburse for personal care services through a time-based payment method. This is typically an hourly rate and can range from less than $15 to more than $30 per hour. A few states reimburse on a per day or per visit basis.[9]

In April of 2024, CMS passed the Ensuring Access to Medicaid Services Final Rule, a key component of which was the requirement that 80% of Medicaid payments for certain personal care services go toward worker compensation. The rule has not yet been implemented, as it was intended to give providers time to adjust, although some states already had similar rules in place. Notwithstanding, many industry participants believe this rule could be eliminated in the future.

> ***"As we have stated before, we continue to believe that the 80-20 provision of the CMS Medicaid access rule will be eliminated in the near future."***
> ***- R. Dirk Allison – CEO of Addus Homecare Corporation***

**Figure 5: Hospice Reimbursement**




In July of 2025, the Trump administration passed the One Big Beautiful Bill Act (OBBBA), a reconciliation bill that included approximately $900 billion in federal Medicaid spending cuts over 10 years. While the results of this spending reduction are only beginning to take effect, it is likely that rates to personal care providers, tightened hours authorization, and reductions in eligibility through work requirements and other program initiatives will reduce the overall spending on personal care programs in most states. As a result, the OBBBA has introduced greater uncertainty into the personal care space.

7 *Id.* at 1
8 Hospices that do not report quality data would receive a 1.4% reduction in reimbursement.
9 KFF.org; https://www.kff.org/medicaid/issue-brief/payment-rates-for-medicaid-home-and-community-based-services-states-responses-to-workforce-challenges/, Accessed May 8, 2026

# Outlook

## Higher Acuity Care

Recent improvements in technology and care provision standards have enabled home health providers to admit higher acuity patients. The largest operators in the space have focused on models involving caring for higher acuity patients in the home setting, including "aging-in-place," "hospital-at-home," and "SNF-at-home." The increasing prevalence of value-based care arrangements and the rapid growth of MA have contributed to an acceleration of these trends.

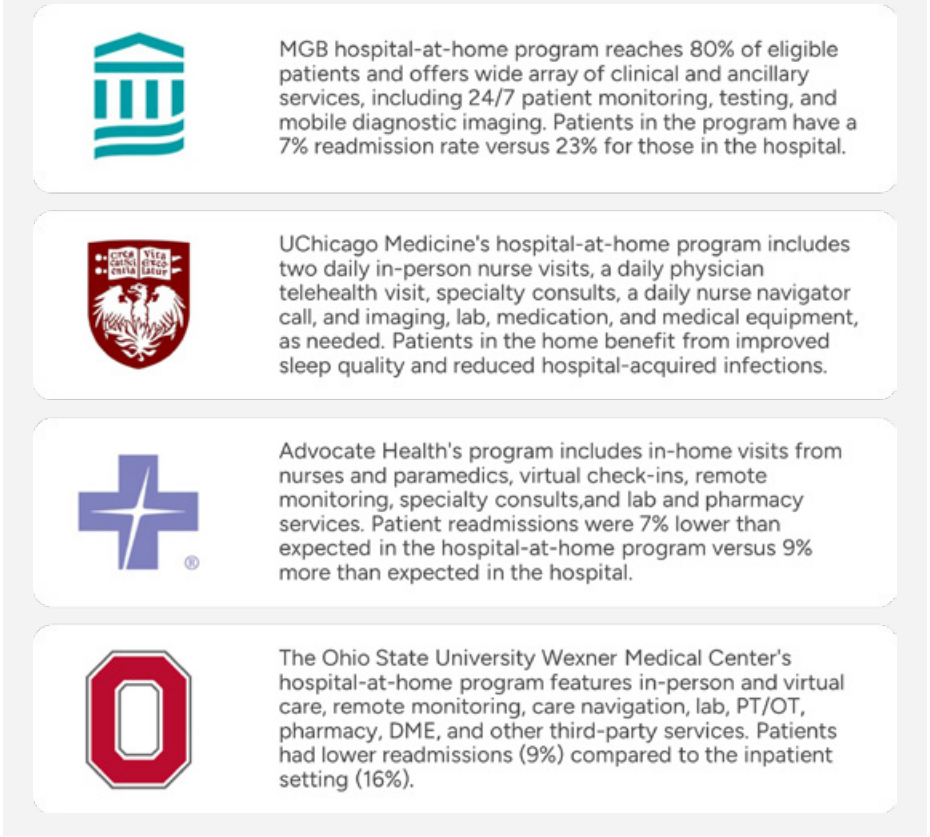
In 2021, Amedisys acquired Contessa Health for 3.9x LTM revenue, which significantly expanded Amedisys' footprint in the hospital-at-home, SNF-at-home, and palliative care space. This transaction, and the ability to provide care to higher acuity patients, increased the total addressable market for Amedisys (and other home health providers) from $44 billion to $73 billion. Overall, it is estimated that more than $265 billion in Medicare and MA home care spending could shift to the home without a reduction in quality.[10]

There has also been a push to provide more dialysis in the home, and this could provide an additional avenue for growth for home health companies. For more information on home dialysis, and the dialysis industry overall, please see our Industry Outlook on the dialysis and kidney care industry.

With the extension of the CMS Acute Hospital Care at Home waiver, which now continues through 2030, operators have significantly greater visibility into program durability. Recent CMS data have shown hospital-at-home programs generate lower mortality rates, reduced hospital-acquired conditions, lower cost, and high patient satisfaction. Readmission results have been mixed, largely depending on the specific MS-DRG, but overall program results have been positive.[11] Other studies of Medicare beneficiaries have shown similar benefits associated with reduced mortality and emergency department use, and no increase in readmissions.[12]

As of February 2026, there are 370 hospitals across 139 health systems in 37 states that received approval to operate hospital-at-home programs, although not all have started programs.[13] With the extended waiver, these programs are now aggressively ramping up services to include home infusion, skilled nursing, and behavioral health. Notable hospital-at-home programs are outlined in the following graphic. All the hospital-at-home programs outlined below feature lower readmissions than the inpatient setting and have freed up inpatient capacity in the hospitals where the programs are operational.[14]

**Figure 6: Hospital-at-Home Programs**




10 McKinsey; https://www.mckinsey.com/industries/healthcare/our-insights/from-facility-to-home-how-healthcare-could-shift-by-2025; Accessed May 8, 2026
11 CMS.gov; https://www.cms.gov/newsroom/fact-sheets/fact-sheet-report-study-acute-hospital-care-home-initiative; Accessed May 8, 2026
12 JAMAnetwork.com; https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2848612#google_vignette; Accessed May 8, 2026
13 Modern Healthcare; https://www.modernhealthcare.com/post-acute-care/mh-hospital-at-home-waiver-langone-virtua-health/; Accessed May 8, 2026
14 AHA.org; https://www.aha.org/aha-center-health-innovation-market-scan/2026-03-10-4-providers-turning-hospital-home-care-delivery-transformation-juggernaut; Accessed May 8, 2026

## Staffing Shortage, Access to Care, and Telehealth

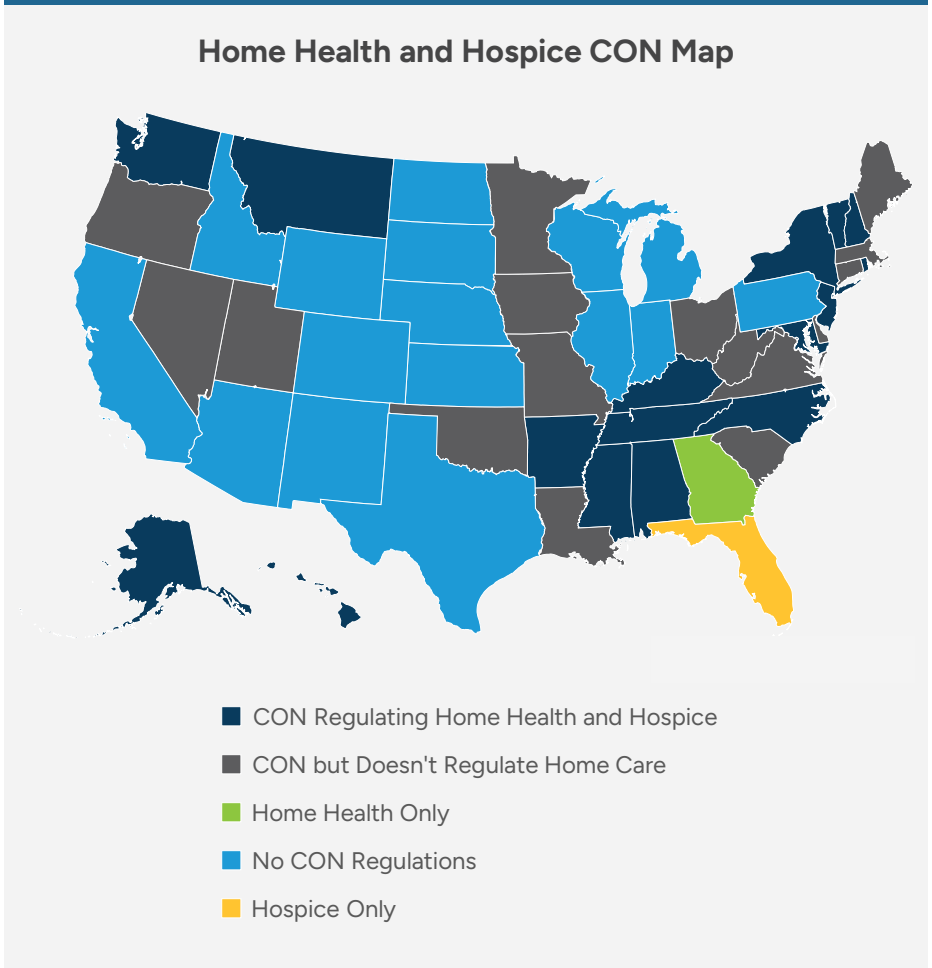
As with many other healthcare sectors, home health companies struggled with recruiting and retaining nurses in recent years, resulting in a shortage of providers and higher costs to provide care. While the staffing constraint remains one of the main headwinds facing the industry, the labor outlook has improved significantly relative to the 2022 through 2024 timeframe when the rise of travel nursing significantly limited the ability to staff at agencies. Many of the large operators have been using payor contracts as a means of allocating their available pool of labor, with expanded labor capacity being utilized to care for patients with preferred payors. Below is a quote from Addus HomeCare Corporation Chief Executive Officer Dirk Allson on the clinical staffing environment:

> *"As we have mentioned in the last few quarters, our clinical hiring remains consistent and has been mostly stable outside of a few of our urban markets."*

In addition to staffing shortages, other factors can contribute to a lack of access to care. One factor that influences the availability of home health and hospice services is certificate of need (CON) requirements of the state. Based on our analysis of data from CMS, there is a correlation between states where home health and hospice services are regulated by CON laws, and the ratio of Medicare enrollees per agency in that state. For example, when looking at the 10 states with the highest number of enrollees per agency (i.e., less care available per enrollee), 8 have CON laws regulating home health and/or hospice. Conversely, the 10 states with the lowest number of enrollees per agency (i.e., more care available per enrollee), 8 have no CON laws regulating home health or hospice, 1 regulates hospice only, and 1 has CON laws pertaining to home health.[15]

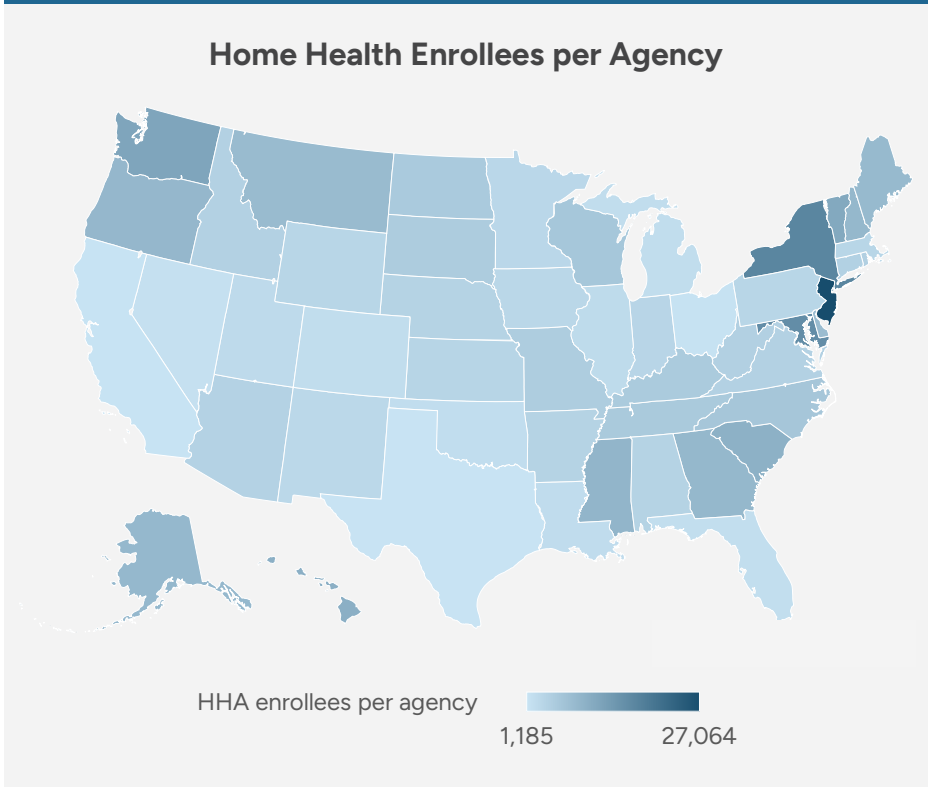
New Jersey and New York, states with stringent CON laws impacting home health and hospice in particular, are the top two states with the highest enrollees per agency, and we have worked on transactions in both states where the CON, among other factors, was a considerable driver of value. While this analysis does not account for the size of the agency, this analysis suggests that CON laws, which create barriers to entry for regulated services, have limited the number of agencies per enrollee. The following maps illustrate the relationship between CON regulations and availability of care, with blue states on the CON map encompassing more of the darker blue on the availability of care map. Overall, there are 16 states and the District of Columbia that have CON laws explicitly regulating home health and hospice, as well as Florida, which regulates hospice only. Valuation multiples in these states also tend to be higher due to the reduced supply and competition.

**Figure 7: Certificate of Need Map**




15 Includes District of Columbia

**Figure 8: Availability of Care Map**




Some states have amended or repealed CON laws in recent years, but the broad CON framework impacting home health and hospice in most states remains consistent. While South Carolina repealed many parts of its CON law in 2023, home health agencies still require a CON, as do inpatient hospice operations.[16] Tennessee modified its CON laws in 2024, but kept most requirements in place for home health and hospice providers.[17] Numerous other states, including Alabama, Arkansas, Vermont, West Virginia, and New York, made minor changes to methodologies or thresholds used in their needs assessments.

Another factor impacting access to care is the more recent federal moratorium for new home health and hospice agencies. On May 13, 2026, CMS implemented a temporary nationwide enrollment moratorium in order to curb fraud and abuse in the sector. The initial term of the temporary moratorium is six months and can be extended in six-month increments at CMS's discretion. Our discussions with operators and attorneys in the space suggest that the moratorium is likely to be renewed at least once, and possibly multiple times.

The moratorium has the potential to impact transaction activity in the space for numerous reasons. Any agency that undergoes a change of ownership transaction within 36 months of enrollment must enroll as a new provider, which is currently prohibited unless certain exemptions apply. Therefore, agencies that were enrolled in the last three years are effectively unable to transact.[18] More broadly, CMS's approach to cracking down on fraud and abuse will likely make pre-transaction diligence even more important and increase the time and cost associated with acquisitions. In addition to CMS, several states, including Rhode Island and Ohio, have recently proposed or issued moratoria on new Medicaid licenses for certain types of care providers, including home care. Los Angeles, which has seen significant growth in the number of licensed providers recently, has also taken action to combat fraud and abuse.

Telehealth has the potential to reshape the home health landscape. Specifically, avenues exist for providers to utilize technologies in certain areas such as patient monitoring, medication management, image sharing technology, mobile apps for telehealth consultations with providers, and population health.[19] The ability to provide these services to patients in their homes without sending a provider to the patient represents a significant opportunity for home health agencies to reach more patients, particularly in rural areas or markets with a material shortage of providers.

Despite these opportunities, implementation of telehealth in the home care space has been somewhat limited thus far. Based on data from MedPAC, only 1.2% of Medicare 30-day episodes included either a telehealth visit or remote patient monitoring, and only 14% of home health agencies reported providing any

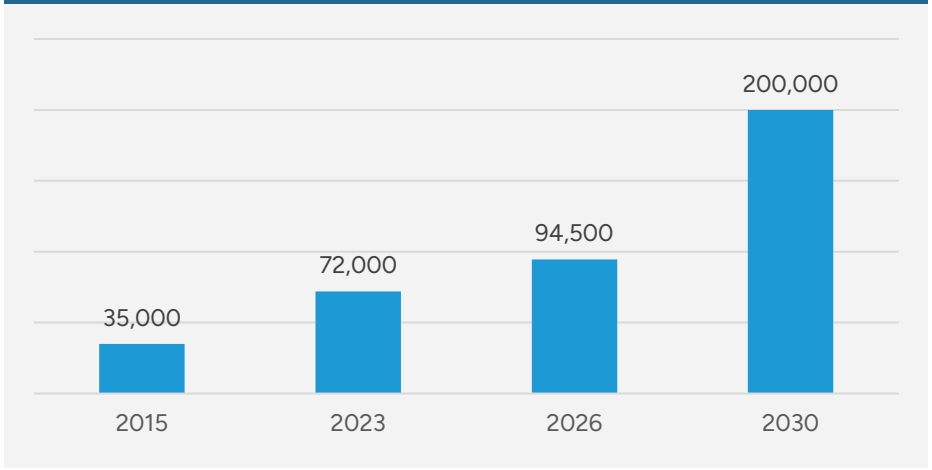
16 SC.gov; https://governor.sc.gov/news/2023-10/governor-henry-mcmaster-signs-certificate-need-repeal; Accessed June 4, 2026
17 Holland & Knight, https://www.hklaw.com/en/insights/publications/2024/05/tennessee-passes-legislation-to-modify-the-states-certificate-of-need; Accessed June 4, 2026
18 CMS.gov; https://www.cms.gov/files/document/hh-hospice-moratorium-faqs.pdf; Accessed June 4, 2026
19 Healthcare Dive, https://www.healthcaredive.com/news/home-health-agencies-expanding-rolling-out-more-telehealth-services/568320/, Accessed June 4, 2026

telehealth services at all.[20] While we expect these numbers could increase over time, it would likely require larger providers to invest in technology and provide training to implement their strategies, which will take time.

## PACE and Other Specialty Models

We have observed increased interest in the Programs of All-Inclusive Care for the Elderly (PACE) program in recent years. PACE is a capitated payment model for dual eligibles that covers both Medicaid and Medicare services for those individuals that enroll in the program. The program provides comprehensive care through a number of providers but typically includes a substantial home health component, as the goal is to enable the patients to stay in the home as long as possible. There are 202 PACE organizations operating in 33 states, and more than 94,500 individuals enrolled in the program, up from 35,000 in 2015.[21] Most PACE providers are nonprofit organizations, but InnovAge (Nasdaq: INNV) is one of the larger, for-profit providers in the space. While the program remains relatively small, InnovAge estimates the addressable market to be 2.3 million lives and $265 billion in revenue, and projects the market will grow to approximately 200,000 participants by 2030.[22]

**Figure 9: PACE Program Enrollment Projections**




There continues to be significant activity in the in-home physician services space as well. Many of these providers incorporate APPs, home health, and personal care to provide a high-touch care model that manages chronic disease and reduces hospitalizations. These groups work with MA, Medicaid, and other value-focused payors. In some models, the provider is sub-capitated beneath the MA plan, while other models involve shared savings/losses or other risk arrangements. Many of the providers we work with emphasize the need to bring as much care as possible under the primary care umbrella and refer patients to specialized settings as needed.

Behavioral home health represents a growing subsector within the home health space, with many operators focused on providing substance abuse, depression, anxiety, and other forms of clinical care in the patient's home. These providers typically utilize high-touch care models and rely on telehealth. Types of care provided include psychiatric evaluations, physical assessments, medication management, counseling, patient and family member/care giver education, and care coordination. With growing focus on behavioral health and the recognition of its contribution to overall patient and population health, we expect this area to continue to generate interest and activity in the coming years.

## Consolidation and Value-Based Care

Consolidation activity in the home health sector in recent years has been characterized by large platform transactions, the largest of which were acquired by payors or "payviders." UnitedHealth Group, through its Optum subsidiary, acquired LHC Group and Amedisys, making it one of the largest home health providers in the country with approximately 10% market share, although we note that Optum had to divest agencies in multiple states as part of the Amedisys transaction. CVS, which owns Aetna, acquired Signify Health, and Humana remains active in building its home health and senior primary care business.

Much of this acquisition activity by large insurance companies is driven by value-based care strategies, particularly in the MA space. UnitedHealth and Humana in particular have discussed using home health as a means of delivering ongoing care outside of facilities and helping to manage chronic care patients. Similarly,

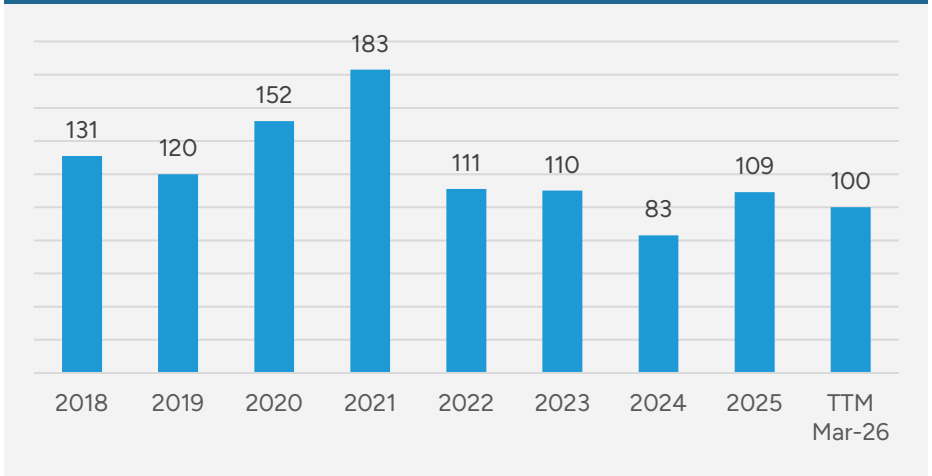
20 Home Care Association of Florida; https://members.homecarefla.org/provider-updates/Details/2025-medpac-data-book-highlights-what-it-says-about-home-health-281315?utm, Accessed June 4, 2026
21 National PACE Association, https://www.npaonline.org/, Accessed June 4, 2026
22 InnovAge Investor Presentation, https://investor.innovage.com/static-files/a3f8fd7c-c428-4e47-a2db-0200362ddcdb, Accessed June 4, 2026

BrightSpring Health Services provides home health and pharmacy services to senior and specialty patients. BrightSpring focuses on complex patients with multiple health conditions, which represent approximately 5% of the population but comprise 50% of healthcare spending.[23]

More broadly, the shift to value-based care across the healthcare continuum will likely lead to further demand for home health as the increasing prevalence of capitated payment models and population health initiatives incentivizes groups of providers to lean more heavily on lower-cost settings, when clinically appropriate, for patient care. Home health can be utilized to reduce the cost of post-acute care by keeping patients out of expensive facilities and institutions, better maintain health and monitor chronic conditions, and lower emergency room utilization to reduce the overall cost burden associated with these conditions. In general, larger providers are better able to participate in these models given their scale and access to resources and technology. We expect this will contribute to further consolidation.

## Transaction Activity and Valuations

**Figure 10: Recent Transaction Volume[24]**




Transaction activity peaked in 2021 before declining in 2022. Increasing interest rates and reimbursement rate headwinds from CMS and MA plans cooled off the home health market beginning in 2022 and caused a further decline in 2024. Since then, transaction activity has returned to a more normalized volume, with the continued overhang of reimbursement uncertainty in home health weighing on transaction activity.

From a valuation standpoint, there are many factors that impact the transaction multiple in the home care space, including the size of the business. The following figure presents EBITDA multiple statistics for the last 10 years for smaller add-on transactions (average revenue of $1.3 million) and larger platform transactions (average revenue of $57 million). In our experience, hospice multiples have trended higher than home health in recent years due to reimbursement pressures in home health, as well as the favorable macro environment for hospice.

**Figure 11: EBITDA Valuation Multiples[25]**

| | Add-on | Platform |
|---|---|---|
| 25th Percentile | 3.1x | 7.5x |
| Median | 4.6x | 11.3x |
| Average | 6.8x | 12.4x |
| 75th Percentile | 9.0x | 15.5x |

As illustrated in **Figure 12,** there have been many notable, transformative transactions in recent years. In addition to large, publicly traded home health operators, several private equity firms have established large regional or national organizations, and health systems and payors, such as UnitedHealth and Humana, are heavily involved in the space. Enhabit was recently taken private by Kinderhook Industries for approximately 10.7x EBITDA. Agape Care Group, a large hospice provider, was sold by Ridgemont Equity Partners to Linden Capital Partners in 2025, and TEAM Services Group was sold by Alpine Investors to General Atlantic in 2026.

23 SEC.gov, BrightSpring Health Services, Inc. S-1 Filing, Accessed June 4, 2026
24 DealStats, Mertz Taggart, LevinPro HC, Levin Associates, 2026, June, levinassociates.com
25 DealStats, Accessed June 8, 2026

| Figure 12: Notable Transactions | | | | | |
|---|---|---|---|---|---|
| **Target** | **Acquirer** | **Date** | **Revenue** | **EBITDA** | **EV / EBITDA** |
| Enhabit, Inc. | Kinderhook Industries | Feb-26 | $1.0B | $102.6M | 10.7x |
| TEAM Services Holding, Inc. | General Atlantic | Jan-26 | $2.3B | $240M | 11.5x |
| LHC / Amedisys Agencies | BrightSpring Health Services | Dec-25 | $345M | N/A | NA |
| Amedisys Agencies (TN, GA, AL) | The Pennant Group, Inc. | Oct-25 | $189M | N/A | NA |
| Agape Care Group | Linden Capital Partners / CDPQ | Jul-25 | N/A | $75M | 18.0x |
| Three Oaks Hospice | Martis Capital | Oct-24 | N/A | $11.5M | 13.5x |
| Signature Healthcare at Home | The Pennant Group, Inc. | Jul-24 | $65M | $11.7M | 6.8x |
| Haven Hospice | BrightSpring Health Services | Jun-24 | $69M | $7.8M | 8.3x |
| Gentiva's Personal Care Business | Addus HomeCare Corporation | Jun-24 | $280M | N/A | NA |
| Covenant Care / Covenant Hospice | VITAS Healthcare Corporation | Mar-24 | $56M | $4.7M | 18.0x |
| Tennessee Quality Care | Addus HomeCare Corp | Jun-23 | $40M | $7.4M | 14.8x |
| Amedisys, Inc. | UnitedHealth Group | Jun-23 | $2.1B | $206M | 18.1x |
| Signify Health | CVS Health | Sept-22 | $773M | $171M | 46.0x |
| LHC Group | UnitedHealth Group | Mar-22 | $2.2B | $216M | 25.0x |
| Kindred at Home | Humana | Apr-21 | $3.2B | $645M | 11.0x |
| Brookdale Senior Living | HCA Healthcare | Feb-21 | N/A | N/A | N/A |
| Abode Hospice & Home Health | BrightSpring Health Services | Feb-21 | N/A | N/A | N/A |
| Seasons Hospice & Palliative Care | AccentCare | Dec-20 | N/A | N/A | N/A |
| Queen City Hospice | Addus Homecare | Dec-20 | $56M | $12M | 16.0x |
| Simplura Health Group | ModivCare | Nov-20 | $463M | $50M | 11.5x |
| Help at Home | Centerbridge & Vistria | Oct-20 | N/A | $110M | N/A |
| Care Hospice | Thomas H. Lee Partners | Oct-20 | N/A | $55M | N/A |
| St. Croix Hospice | H.I.G. Capital | Oct-20 | N/A | $43.6M | 13.3x |
| Fairview | AccentCare | Sep-20 | N/A | N/A | N/A |
| AseraCare Hospice | Amedisys | Apr-20 | $117M | $17.4M | 11.7x |
| Alacare Home Health & Hospice | Encompass Health | Jul-19 | $117M | $14M | 15.5x |

The valuation environment can also be assessed through commentary from publicly traded operators. Below is a quote from Brian Poff, Chief Financial Officer for Addus HomeCare Corporation:

> *"[Personal Care] on the small end are still going to be — could be as low as 4x and 5x. Even larger size could be maybe 7x, maybe 8x. That really hasn't moved much. I think on the clinical side, there's been a couple of large — very large hospice organizations that traded this year for very high multiples. It seemed like there maybe was a little bit of moderation coming in, but still probably mid-teen type expectations."*

**Figures 13 and 14** present valuation multiples and analyst-estimated revenue growth rates for the publicly traded operators in the home care sector. Valuation multiples have come down in recent years due to several of the factors discussed throughout this article, including higher interest rates, provider shortages, and reimbursement uncertainties. Despite these headwinds, analysts project positive revenue growth rates as the shift toward home care and an aging population should provide support for revenue growth going forward.

**Figure 13: Public Company Valuation Multiples**

| | Ticker | EV to TTM EBITDA | EV to NTM EBITDA |
|---|---|---|---|
| InnovAge Holdings | INNV | 30.3x | 10.6x |
| Addus HomeCare Corp | ADUS | 9.5x | 8.5x |
| BrightSpring Health Services | BTSG | 21.8x | 16.1x |
| Chemed Corp | CHE | 12.8x | 11.7x |
| Option Care Health | OPCH | 9.5x | 8.6x |
| Pennant Group | PNTG | 21.2x | 15.9x |
| Aveanna Healthcare | AVAH | 8.1x | 8.1x |

**Figure 14: Consensus Revenue Growth Rates from S&P Capital IQ**

| | Ticker | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| InnovAge Holdings | INNV | 11% | 12% | 13% | 7% | 6% |
| Addus HomeCare Corp | ADUS | 9% | 23% | 7% | 5% | 4% |
| BrightSpring Health Services | BTSG | 28% | 15% | 17% | 14% | 15% |
| Chemed Corp | CHE | 7% | 4% | 6% | 6% | 5% |
| Option Care Health | OPCH | 16% | 13% | 1% | 7% | 9% |
| Pennant Group | PNTG | 28% | 36% | 23% | 8% | 4% |
| Aveanna Healthcare | AVAH | 7% | 20% | 8% | 5% | 6% |

All of the companies highlighted above operate in multiple segments and are not pure play operators in any one particular segment of home care. The table below presents their percentage of 2025 revenue by business segment. We note that Aveanna Healthcare and BrightSpring Health Services combine home health and hospice into a single reporting segment.

**Figure 15: Percent of Revenue by Business Segment**

| | Home Health | Hospice | Personal Care & Private Duty | Other |
|---|---|---|---|---|
| InnovAge Holdings | 0% | 0% | 0% | 100% |
| Addus HomeCare Corp | 5% | 19% | 77% | 0% |
| BrightSpring Health Services | 6% | n/a | 3% | 91% |
| Chemed Corp | 0% | 64% | 0% | 36% |
| Option Care Health | 0% | 0% | 0% | 100% |
| Pennant Group | 37% | 34% | 7% | 23% |
| Aveanna Healthcare | 10% | n/a | 82% | 8% |

# Conclusion

Despite some of the headwinds discussed herein, including staffing shortages and reimbursement challenges, home care continues to represent an important aspect of the continuum of care. While we continue to observe interest from financial and strategic buyers, including payors and health systems, we also expect the crackdown on fraud and abuse in the sector to drive higher diligence costs and longer processes for those effectuating transactions.

# Contact Us

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Dan Levin has been providing his clients with analysis and consultation in business valuation, intellectual property, litigation support, and healthcare provider compensation relationships since 2016. His experience includes working with healthcare organizations, attorneys, administrators, providers, developers, consultants, investment bankers, and private equity groups in connection with transactions in the healthcare industry. Many of the transactions he analyzes involve Stark, Anti-Kickback, IRC 501(c)(3), and/or other regulatory implications, which require analysis of fair market value and the determination of commercial reasonableness. Prior to joining Stout, Dan was a Director with HealthCare Appraisers, Inc. He also has previous experience in sell-side equity research providing investment analysis on publicly traded healthcare companies.

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Nick Janiga has over 19 years of experience providing his clients with analysis and consultation in business valuation, litigation support, intellectual property, and healthcare provider compensation relationships. His experience includes working with healthcare organizations, attorneys, administrators, providers, developers, consultants, investment bankers, and private equity groups in connection with a broad spectrum of transactions in the healthcare industry. Prior to joining Stout, Nick was a Partner at HealthCare Appraisers, Inc.

# About Our Healthcare Capabilities

Stout provides a continuum of valuation, transactional, and advisory services to healthcare organizations in order to help them achieve their objectives. As healthcare companies and care providers look to understand the effects of relevant and evolving regulation and the implications of market-driven shifts such as digital health, value-based care, and personalized medicine, we combine deep experience with adept workflows to help organizations navigate the competitive landscape.

Supporting our clients with their most complex issues, our healthcare professionals offer a complete range of investment banking, transaction, accounting and reporting, valuation, and dispute-related services.

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- Gap Assessment
- HIPAA Compliance
- Payment Integrity
- Risk Assessment

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- Value-Based Care Plan Design, Oversight, & Implementation
- Strategic Advisory

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- Criminal Healthcare Fraud
- Civil Disputes & Investigations
- Damages Opinions
- Expert Witness
- False Claims & Anti-Kickback Cases
- Intellectual Property Claims & Disputes
- Liability Determinations
- Pricing Disputes
- Representations & Warranties Opinions

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- Debt/Equity Raise
- Distressed/Special Structures
- Due Diligence (Financial, Operational, Tax, & IT)
- ESOP Valuation and Advisory
- Exit Readiness
- Fairness/Solvency Opinions
- Finance Planning & Integration
- Financial Reporting
- Incentive Stock Plans
- IPO Support
- Purchase Price Adjustments
- Purchase Price Allocation
- Quality of Earnings
- Quality of Revenue
- Strategic Advisory

## About Stout

Stout is a global advisory firm specializing in corporate finance, valuation, accounting and transaction advisory, strategy, and financial disputes, claims, and investigations. We serve a range of clients, from public corporations to privately held companies in numerous industries. Our clients and their advisors rely on our premier expertise, deep industry knowledge, and unparalleled responsiveness on complex matters.

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