



# **ESSENTIALS**

## **TO START YOUR HOME HEALTH CARE BUSINESS**

**A GUIDE FOR INDIVIDUALS INTERESTED IN  
STARTING A HOME HEALTH CARE AGENCY**

Establishing a home health care agency is a great way to own a business in a rapidly growing field, be your own boss in a recession-proof industry, and provide care for those who need it most. You're considering starting a home care business, and you have questions.

What are the startup costs?

How does the process work?

Where do I start?

The following are eight essential steps to start your home health care business.

## **Obtain an EIN & state business license**

**1.**

An Employer Identification Number (EIN) is a unique nine-digit number issued by the Internal Revenue Service (IRS) to business entities operating in the US. There is an online application on the IRS website to obtain your EIN.

In most cases, securing a state business license is as simple as filing your business name and address with your state and local governments. This is also a good time to decide on a business name. Check with your Secretary of State's website for business name availability, and also check if the domain name is available for your business website. Submit completed licensing forms to your state and local government offices.



**2.**

## **Create a business plan - including a budget**

Creating a business plan for your home health care agency provides the foundation for your business. It should include:

- Executive summary – the basics of your company: what and where it is
- Company description – the mission and goals of your home health care agency
- Services – a description of services you will provide
- Marketing plan – an outline of how you will promote your services
- Ownership & Management – the ownership structure of your business
- Operational plan – an explanation of the facility, staff, supplies, scheduling, billing
- Budget – your annual budget with a cash flow projection, balance sheet, and break-even analysis

### **Apply for accreditation**

**3.**

Choose an accreditation organization and apply for accreditation. Accreditation is a process wherein an accrediting body ensures that your agency has met specific standards. There are three main accrediting bodies: The Joint Commission (JACHO), Community Health Accreditation Program (CHAP), and the Accreditation Commission for Health Care (ACHC). Each of these organizations follows a different process and has different requirements, but their objective is the same: to make sure that home care agencies deliver excellent care. Review these accrediting bodies and select one to apply for accreditation. Understand that accreditation is a long process which may take a year or more to complete.

**4.**

### **Obtain Medicare and Medicaid certifications**

By obtaining Medicare and Medicaid certifications, your agency will be able to provide health care services like nursing care and physical therapy and get paid by Medicare and Medicaid plans. In addition to getting these certifications, some states require business owners of home health care agencies to complete a jurisprudence exam. Visit [CMS.gov](https://www.cms.gov) to learn more about the process and apply and get trained for Medicare and Medicaid certification. This is also a lengthy process and can take a year or longer, in some cases.

### **Establish HR & office policies and procedures**

**5.**



Establish your Human Resources and office policies with care. Consider federal and state employment policies with regard to hiring, firing, unemployment, work injury, and compensation. Know your agency goals and type of team you want to build and retain. Have standard operating procedures established early on, so you're not figuring things out as you go. Clear policies should outline your practices for hiring, staffing, scheduling, caregiving, payroll, billing, reimbursement, HIPPA compliance, measuring outcomes, emergency management, etc.

## 6.

### Choose your team

Recognize that your team is one of the single biggest factors in the success or failure of your home health care agency. Hire accordingly. Be cautious with hiring friends or family members - it can be difficult to know who will be a good fit long-term. You don't want to choose between business success and personal relationships later on. Since your home health care business provides personal service to patients, you want staff that represent and reflect what your business should be: reliable, skilled, problem-solving, compassionate.



There are multiple ways to recruit your ideal team members. Many businesses use online hiring boards and social media. You can pair this with traditional methods like local ads and even bulletin boards. When you're ready to grow your team, consider offering referral bonuses, so that quality employees bring in similar staff members. Since your caregivers will be in private residences providing personal care to clients, always check references and conduct thorough background checks for each prospective employee.

## 7.

### Establish a referral network



Typically, home health care businesses rely most heavily on patient referrals as their primary source of obtaining clients. Brainstorm the best potential sources for referrals in your area. Are there long-term care facilities, private practices, outpatient rehab centers, and hospital discharge social workers nearby that you can connect with? Start by contacting these people and facilities. Ask to meet with the directors or decision-makers. Share information about your business, the services you provide, and your differentiating factors. Establishing and cultivating these relationships requires continual effort, but is worth it. Having multiple referral sources will help your business get off the ground and then continue to thrive.

## Create a marketing plan

# 8.

An effective marketing plan is crucial for obtaining clients. The following are some basic marketing tactics you can implement to get started:

- Build an online presence. Create a website to get your name and information out there. There are many free or low-cost options to create a functioning website. You can always come back to your site to edit and improve it, but having at least a basic site with your information demonstrates credibility. The more polished your website, the more credible your agency looks.
- Create a Google Business Profile with your agency name, address, hours, website, and phone number. This is a pretty simple task that will make your business more accessible for potential clients.
- Highlight what makes your agency unique. Do you have differentiating factors you can showcase: a distinguished clinical director? A unique service offering? A special benefit for clients? Let folks know what makes you different or better than your competitors.
- Be active in your community. Host events with your local senior center. Show your professionalism and get your name out by joining local groups and associations, like your local Chamber of Commerce and the National Association for Home Care & Hospice.

## WANT TO LEARN MORE?

### We can help.

While the above are the most basic steps to start a home health care business, there are additional components to consider, including:

- Location and area population
- Client concentration
- Size of your agency
- Owner involvement
- Staff availability

At AYA Enterprises, we have extensive experience helping individuals achieve their dream of successfully starting a home health care business.

### Get in touch with us for a free consultation.



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