

Nearly a third of Americans use gray market caregivers to aid the elderly and those with dementia

June 21 2021



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Nearly a third of Americans who arranged for paid care for an older person or someone with dementia employed workers who were not hired

through a regulated agency, according to a new RAND Corporation study.

Individuals who hired gray market caregivers were less likely to be employed and more likely to also use unpaid care for their family members. In addition, people who lived in rural areas had an almost five-times higher odds of arranging [dementia care](#) through gray markets as compared to those who lived in urban areas.

The study is the first national survey to probe the use of gray market care for older adults and people with [dementia](#). The findings are published by the *Journal of Applied Gerontology*.

"Gray market care represents a substantial proportion of paid, long-term care for older adults and may fill gaps in access to care," said Regina A. Shih, the study's lead author and a senior policy researcher at RAND, a nonprofit research organization. "Better understanding of the use of gray market caregivers for older Americans is important to meet the needs of the nation's aging population."

The study defined gray market caregivers as paid providers who are unrelated to the recipient, not working for a regulated agency, and potentially unscreened and untrained.

The rapid aging of the U.S. is expected to increase the demand for long-term care and supports to help with the activities of daily living. Demographic and social trends are reducing the number of family caregivers available to help older adults. As a result, the need for home health aides and personal care aides is expected to grow by 36% from 2019 to 2029, much faster than the average for all occupations.

Many [older adults](#) who need help do not qualify for Medicaid-sponsored long-term services and supports, and may be unable or unwilling to pay

out-of-pocket to hire nurses or aides through a home health agency.

To explore the use of gray market caregivers, RAND researchers in August 2017 surveyed a random sample of 1,037 members of the RAND American Life Panel, a nationally representative internet panel of adults. Those surveyed were asked about whether they had sought care for an older adult and where their formal [caregiver](#) was employed.

Among survey participants, 28% had arranged aging-related long-term care for themselves or someone they love. Of respondents who arranged any paid care (including those who combined paid and unpaid care), 31% hired a gray market provider.

Similarly, 31% of respondents who arranged paid care for someone with dementia also sought gray market care. Among those who were gray market consumers, 65% also arranged for or provided unpaid care themselves.

Researchers say that people with dementia who need [long-term care](#) and live in [rural areas](#) may have more difficulty accessing or paying for regulated home- and community-based providers than those who live in urban locales.

Regulations for home health care agencies vary by state, but they usually are required to perform criminal background checks, verify education or training, and maintain clinical records.

When workers are employed by an agency, they are generally covered by disability and liability insurance to protect consumers and providers in the event of on-the-job accidents. Agency-based employees also may be eligible for or contribute to social insurance and employee benefit programs.

"Without agency oversight, the quality of care provided by gray market caregivers is unknown, and the potential for exploitation or abuse—of both the care recipient or the care provider—has not been systematically studied," Shih said.

Researchers say that more research about the use of gray market care is needed to identify factors contributing to its use, improve the quality of gray [market](#) care, and provide training for dementia care skills among providers.

Provided by RAND Corporation

Citation: Nearly a third of Americans use gray market caregivers to aid the elderly and those with dementia (2021, June 21) retrieved 20 March 2024 from <https://medicalxpress.com/news/2021-06-americans-gray-caregivers-aid-elderly.html>

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