

# Humana spends big to buy the largest home health provider in the US

Article

Humana is fully [acquiring](#) Kindred at Home for \$5.7 billion. The legacy insurer already owns a 40% equity stake in the home health provider worth \$2.4 billion. For context, Kindred at Home has locations across 40 states, serves 550,000 patients, employs 43,000 caregivers, and has a 65% overlap with Humana's Medicare Advantage (MA) marketplaces.

The acquisition comes on the heels of Humana's [Q1 2021 earnings](#), where it reported skyrocketing profits and MA enrollment—a sign that it's leading the way in meeting healthcare demand among the growing senior population.

- Humana reported \$828 million in profit and 12% year-over-year growth in MA enrollment in Q1. That represents an increase of nearly half a million beneficiaries compared with Q1 2020.
- This is significant considering MA markets are growing in tandem with home healthcare markets. In 2020, 39% of all Medicare members were enrolled in MA plans—and that's expected to balloon as more MA plans are available in 2021 than in any year prior, [according to](#) the KFF. At the same time, the home healthcare market is growing fast: It's projected to surpass [\\$293.6 billion](#) globally, and over [three-quarters](#) of US adults see a future with more healthcare delivery at home.
- Both markets are being driven by the undercurrent of a burgeoning population of seniors in the US—who are also increasingly warming up to digital health tech. Telemedicine use among adults 65+ increased [300%](#) during the pandemic, more than any other age group. On top of that, older adults are expected to make up over [20%](#) of the US population by 2030, which means innovative home healthcare solutions will be an even greater priority for payers.

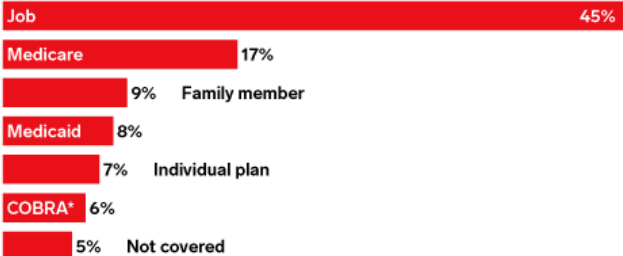
Humana has gradually expanded its reach in the home healthcare and digital care coordination spaces—underscoring the increasingly blurred lines between payers and providers.

- Humana's Kindred at Home acquisition is the latest in its string of home health investments. In the past year alone, Humana [partnered](#) with Salesforce to launch a cloud-based care coordination platform, [tapped](#) Dispatch Health to provide hospital-level care at home for its MA members, [piloted](#) its own digital chronic care management platform, and [teamed up](#) with at-home primary care startup Heal.
- Humana could create a connected ecosystem of its horizontally integrated home healthcare services. Melding its home health tech investments with its provider facilities could help the payer improve members' health outcomes and satisfaction—both of which can generate [cost-savings](#) for payers.
- And it's not the only insurer focused on horizontal integration—in fact, this underscores the trend of major payers dipping into the provider space to gain even more influence in the evolving healthcare landscape. UnitedHealth [acquired](#) the largest physician network in

Massachusetts, **Atrius Health**, last month, and **Cigna** bought telehealth provider **MDLive** in February.

**How Are US Adults Covered by Health Insurance?**

% of respondents, Jan 2021



Note: numbers may not add up to 100% due to rounding; \*the Consolidated Omnibus Budget Reconciliation Act  
Source: Bend Financial survey conducted by OnePoll as cited in press release, Feb 3, 2021

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