



EXECUTIVE INSIGHTS

Medicalised Home Care in France: A Rising Convergence of Nursing Services and Home Support

Key takeaways

1. Rising demand for elderly care, combined with shifting demographics and policy support, is blurring the lines between personal assistance and clinical services. This is driving a structural transformation across France's home care sector.
2. For moderately dependent individuals, home care offers a substantially lower-cost alternative to nursing homes, delivering comparable outcomes while aligning with patient preferences to remain at home.
3. Recent reforms are professionalising service delivery and promoting convergence between support and nursing care.
4. To succeed in a more complex, medicalised care environment, providers must invest in upskilling frontline staff and embedding digital tools that support coordination, early intervention and continuous learning.

Introduction

As demographic shifts accelerate, elderly people increasingly prefer to address the effects of ageing from home whenever possible. The rising demand for services that integrate social assistance and clinical care is blurring traditional boundaries, driving a profound transformation within the French home care sector. This deep structural change is reshaping not only stakeholder expectations, but the industry's service offerings and business models.

In this evolving home care environment, industry players must reimagine their value propositions, rethink their organisational models, and revise their approach to collaboration across the France's broader health and social care ecosystem.

This *Executive Insights* is designed to equip industry leaders and investors with actionable insights to handle the greater complexity of patient needs while delivering a step change in professionalism, workforce capabilities and operational excellence.

Long-term support of elderly people at home: A growing opportunity

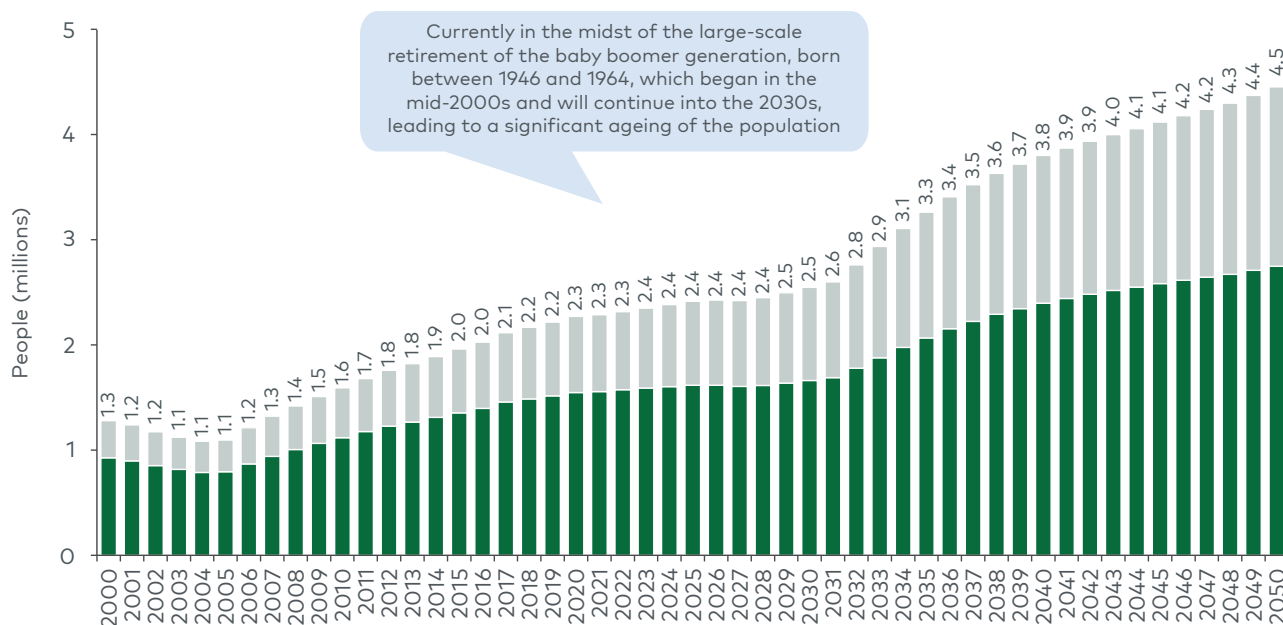
Two primary factors are at the root of the growing medicalisation of home care in France: the rapidly ageing French population, and the tendency of home-based care to prove more cost-effective for patients experiencing loss of autonomy (to a certain point) than institutional care in nursing homes.

A structurally ageing demographic structure

According to the National Institute of Statistics and Economic Studies (INSEE), individuals aged 80 and over will account for nearly 10% of the French population by 2050, compared to c.6% today.¹ This demographic shift, propelled by baby boomers reaching the 85+ range starting in 2030, will have a strong impact on residential care facilities for dependent elderly people, known as EHPADs (see Figure 1).

Figure 1

85+ population in France, 2000-2050F



Source: INSEE; L.E.K. research and analysis

Yet families and older individuals seem increasingly eager to postpone entry into residential care for as long as possible. A 2022 OpinionWay survey indicates that while 93% of French people see nursing homes as the default choice for relatives facing loss of autonomy, 59% believe institutionalisation of elderly people often occurs even when not justified by their level of dependency. This suggests that public opinion favours exploring alternatives to hospitalisation of patients in physical and cognitive decline.

Complicating this trend, the ageing French population also means a decline in the ratio of potential family caregivers to elderly individuals, from 3.2 caregivers per elderly person to 2.8 by 2030, according to INSEE projections.

Home care: A cost-effective option for some

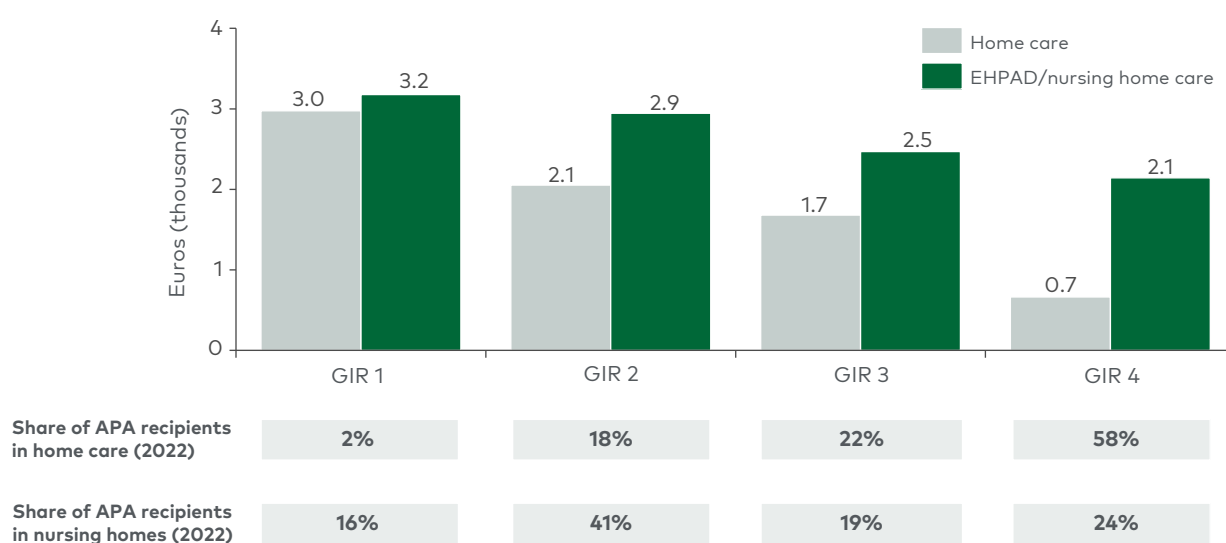
Overall healthcare and support costs are highest for individuals with the lowest levels of autonomy, assessed using the national Groupe Iso-Ressources (GIR) scale, which guides eligibility for support and care planning.

Unlike for patients classified as GIR 1 (most dependent) or GIR 2 due to the intensity and complexity of care required, home-based care presents a particularly compelling option for patients classified as GIR 3 or GIR 4, where the level of dependency remains moderate (GIR 6 indicates the highest level of autonomy).

For these patients, the shift from institutional care to home care can lead to substantial reductions in overall costs. In 2021, the average estimated cost of a GIR 4 patient receiving home care treatment was only a third of the equivalent cost of a nursing home (see Figure 2).

Figure 2

Average monthly cost of home care vs nursing home care among APA recipients in France, 2021*



Note: APA=Allocation Personnalisée d'Autonomie

*Public and private share of the cost combined, assuming patients earn €1,300/month on average, in line with APA recipients' average and median revenues

Source: HCFEA, L.E.K. research and analysis

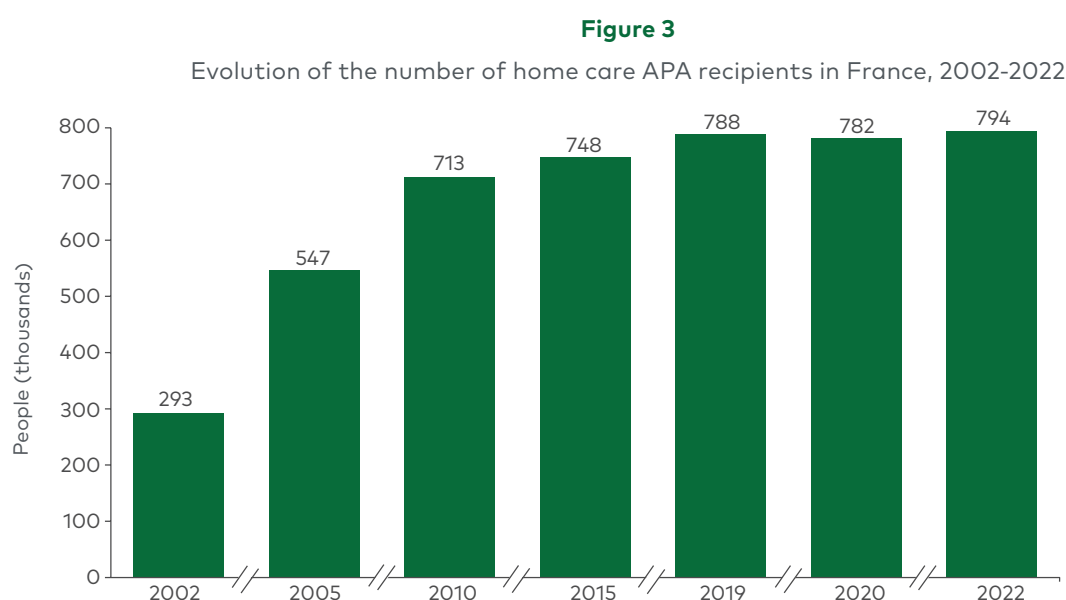
Greater professionalisation: A byproduct of demand for home care services

The accelerating demand for elderly care in France has prompted a rise in the volume of home care services on offer, accompanied by a drive toward greater organisation, quality and professionalisation within the sector.

The role of demographic and policy shifts

Supported by changing family preferences, the number of elderly individuals receiving care at home has surged in tandem with a clear shift in public policy towards reducing reliance on institutional care and promoting home-based support instead.

Today, nearly 800,000 individuals benefit from *Allocation Personnalisée d'Autonomie* (APA) — a public allowance that helps cover the cost of care for elderly individuals with loss of autonomy, whether at home or in residential care — compared to c.300,000 just two decades earlier (see Figure 3).



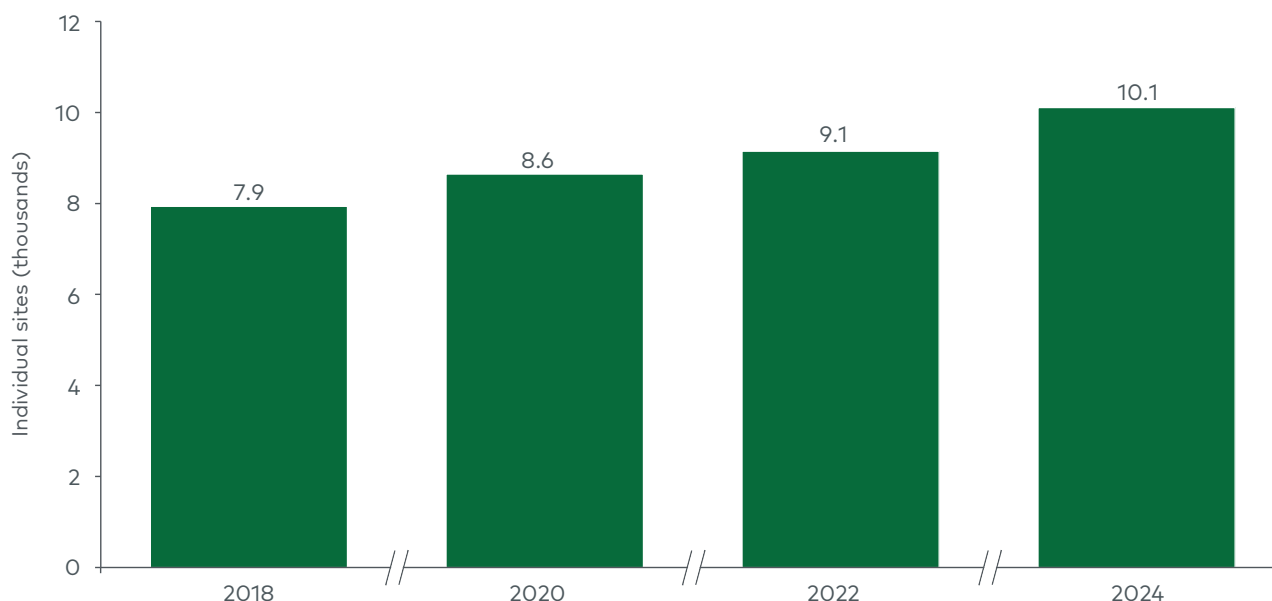
Source: DREES

Furthermore, the French home care allowance is mostly used to finance services *d'aide et d'accompagnement à domicile* (SAAD), non-medical home care providers offering support with daily living activities such as housekeeping, meals and personal assistance.

Amid this rising demand for home-based support, the number of SAADs has grown steadily in recent years, from approximately 8,200 in 2019 to around 10,100 in 2024 (see Figure 4).

Figure 4

Evolution of the number of SAAD agencies in France, 2018-2024



Source: FINESS public database

Strengthening the home care sector through a new regulatory framework

Historically, the home care sector in France has grown by fits and starts, with wide disparities in funding across *départements*, limited efforts to professionalise the workforce and no consistent framework for ensuring quality. Seeking a more structured and sustainable model, French authorities launched ambitious SAAD reforms in 2019 in response to the sharp increase in elderly people ageing at home with proper support.

The 2019 reforms introduced a national reference pricing system to standardise hourly rates and reduce out-of-pocket costs for patients. It also encouraged operators to enter multiyear contracts (called CPOMs, or *Contrats Pluriannuels d'Objectifs et de Moyens*) with regional authorities, in exchange for more uniform funding and clear commitments regarding service quality, workforce conditions and territorial coverage.

In parallel, French authorities established a unified national quality framework, setting common service standards for all operators regardless of status. This aimed to reinforce the sector's professionalisation and improve patients' experiences. The reforms also laid the foundation for deeper integration between home healthcare services (SAAD) and *services de soins infirmiers à domicile* (SSIAD), in anticipation of further reforms to come, as discussed below.

This effort to put the sector in order has paved the way for a more consistent and predictable operating environment, especially for private players. It represents a turning point: rather than ancillary to the ageing policy mix, home care is becoming a core component of elderly support infrastructure.

Personal assistance meets nursing care: An institutionalised trend

Combined with the ever-increasing panoply of patients' needs, recent regulations have aimed at better integrating support and medicalised services. This convergence of personal assistance and nursing care reflects a deeper structural shift in the home care landscape.

Increasingly complex home care needs

The average age of individuals entering EHPADs has climbed steadily in recent years, according to French government data from *La Direction de la Recherche, des Études, de l'Évaluation et des Statistiques*, or DREES (see Figure 5). This trend reflects a broader shift: individuals are staying at home longer, often despite more advanced levels of frailty and multiple chronic conditions.

Figure 5

Average age of entry in nursing homes in France, 2003-2019

	2003	2007	2011	2015	2019
Average age of entry into nursing homes (EHPADs)	83 years and 2 months	83 years and 5 months	84 years and 5 months	85 years and 9 months	86 years and 10 months

Latest DREES survey was conducted in 2024 and is yet to be published

Source: DREES

As a result, SAAD home care providers must expand their role beyond basic support tasks such as housekeeping and grocery shopping to deliver more complex interventions, closely coordinated with SSIAD nursing care providers.

This evolution calls for enhanced capabilities in care coordination, professionalisation of home care workers, and tighter integration with the healthcare system.

SAD: Integration of home care services

The Bien Vieillir law, enacted 8 April 2024, represents a pivotal milestone in the reorganisation of home care services in France. It set the stage for a gradual but mandatory merger of personal assistance/care services (SAAD) and home nursing services (SSIAD), in a unified structure known as *Service Autonomie à Domicile* (SAD).

Under this new regulatory framework, SSIADs are required to initiate one of three integration pathways before 31 December 2025: directly incorporate personal assistance activities (i.e. personal care, domestic assistance, social support), merge with an existing SAD, or establish a formal cooperation agreement forming a jointly operated entity with an SAD. As for SAADs, whilst automatically deemed SADs and authorised to providing assistance services for the duration of their existing agreement, they must comply with the new SAD specifications since 30 June 2025.

Supporters hope these ambitious reforms will resolve long-standing challenges in the home care ecosystem by improving coordination among care professionals, ensuring continuity of support for adults ageing at home and enhancing overall service efficiency. Yet the reforms leave open several practical questions, particularly concerning the legal structures and governance of these newly integrated operations. In practice, most operators are expected to favour partnership-based models, which allow for improved coordination while maintaining each entity's operational autonomy.

A shifting ecosystem of hybrid players

The home care landscape in France is undergoing a structural transformation, with the growing presence of hybrid players reshaping traditional boundaries. Some SAAD providers are moving to other segments of the value chain by integrating nursing services, both to capture more value and to reduce their dependence on regulated APA pricing. Meanwhile, major EHPAD operating groups have expanded into home care, aiming to reach a broader, less institutionalised patient base.

New, intermediate models are also emerging, such as Ages & Vie, to offer non-medicalised senior co-living arrangements. This further blurs the lines between home care, assisted living and residential facilities.

Strategic priorities: The shift to more integrated home care

To capitalise on the growing convergence of at-home support and more medicalised care, the sector must urgently address two critical issues: upskilling of the workforce and embedding digital tools in day-to-day work.

Developing the right capabilities

To effectively meet the demands of a more complex, medically oriented care model, home care workers must have the opportunity to strengthen their skills base. Going forward, in addition to reinforcing core hygiene and supporting the acts of daily living, home aides must be trained to recognise early signs of health deterioration and then act as a reliable relay within multidisciplinary care teams. Enhancing communication with nurses and physicians is crucial to ensuring seamless coordination and timely escalation when clinical issues arise.

This shift requires not only more robust initial training, but also a culture of ongoing professional development. Many home care workers still operate in isolation, with limited access to structured learning or feedback. New training models that are more modular, digital and adapted to field constraints will be essential to support skills acquisition and retention.

At the same time, the sector must address deep-rooted recruitment challenges: according to the national employment agency, France Travail, hiring is a struggle for approximately

80% of home care and domestic support roles.² This reflects both a shortage of qualified candidates and the demanding physical, emotional and organisational nature of the work.

Moreover, emerging needs call for hybrid profiles — professionals who exhibit a combination of interpersonal, technical and digital competencies in order to manage frailty; support autonomy; and use modern, connected health tools. Developing such capabilities at scale through recruitment and training will be a defining challenge — and opportunity — for home care providers seeking to remain relevant in a transforming ecosystem.

Leveraging digital tools and training

As home care evolves, digital tools increasingly enable effective, coordinated care delivery to serve patients with increasingly complex needs. These technologies make care delivery more responsive, continuous and integrated across disciplines, improving quality in ways such as the following:

- **Secure digital platforms allow for real-time sharing of patient information.** Home aides, nurses and other healthcare practitioners can deliver faster decision-making and greater continuity across fragmented care pathways. Providers who achieve this level of interoperability are hard to come by and may gain a significant operational advantage.
- **Remote patient monitoring is the new frontier of digital.** Fall detectors, biometric alerts and smart home sensors provide actionable data related to frail patients, particularly those living alone. These technologies may help detect deterioration early and reduce emergency interventions — a critical benefit in ageing populations who benefit greatly from avoiding hospital visits.
- **Digital tools are enabling a new wave of training approaches.** E-learning platforms, mobile apps and simulation-based modules provide accessible, flexible upskilling for a workforce that often lacks the time or mobility for traditional training. For home care professionals frequently working in isolation, this continuous learning capacity is vital for quality and confidence in care delivery.

Looking ahead, the most advanced home care operators — especially those evolving into integrated and more medicalised services — have the potential to become true care orchestrators. By combining digital infrastructure, trained staff and data-driven insights, they can coordinate medical and social interventions remotely, with greater agility and precision.

The digital transformation of home care is about empowering frontline workers, connecting care teams and creating a new standard of proactive, patient-centred service at home.

How L.E.K. can help

The home care sector is at a crossroads, where significant opportunities exist for both established players and new entrants to unlock value.

To discuss these insights in greater detail, or to explore strategic transformation opportunities in the home care sector, please get in touch with the authors.

Winston & Strawn LLP* provide their perspective on our summary:

*As home care in France continues to evolve towards a more medicalised model, digital tools — from teleconsultation platforms and remote monitoring devices to AI-powered decision support — are becoming essential to the transformation. While these innovations promise improved care monitoring, coordination and accessibility, they also raise complex legal and ethical challenges, particularly in terms of data protection, cybersecurity and liability.

From a regulatory standpoint, the use of digital tools in the home care context notably falls under the General Data Protection Regulation (GDPR) and the French Data Protection Act. Given that the data being processed often continuously and across multiple platforms concerns patients' health, it is considered "sensitive data", subject to heightened obligations and which cannot be shared with non-healthcare practitioners. In many cases, prior formalities with the CNIL remain required, particularly when AI tools are involved.

An emerging difficulty lies in the fragmentation of stakeholders within home care, mixing healthcare practitioners with non-healthcare practitioners: SADs (SAADs, SSIADs and SPASADs), telemedicine providers, coordinating physicians, software vendors, and even local authorities may all play a role. Determining who can access the data, act as data controller and ensuring proper legal bases for processing across this network becomes a delicate exercise, especially when subcontracting chains, cooperation agreements and CPOMs are involved.

Home care services involving several parties often blur lines of responsibility, making legal liability harder to trace, and thus to mitigate. The legal responsibility for breaches cannot simply be delegated to technology providers; professional accountability remains central, and a careful drafting of the agreements involving several providers is absolutely key.

The increasing use of AI-based tools in home care such as predictive analytics or triage support introduces further complexity. Notably, Article 10 of the EU AI Act introduces strict requirements around how personal data (particularly health data) may be used in training and validating high-risk AI systems. It allows for the use of sensitive data only when strictly

necessary to detect or correct algorithmic bias, and only under robust safeguards: strong data protection, restricted access and mandatory deletion when the data is no longer needed.

For home care providers, this has direct implications. Tools must be assessed not just for their technical performance, but also for how and why they were built: whether their training data is fair, representative and free from bias. In a sector serving frail, often digitally marginalised individuals, even subtle algorithmic errors can result in inequitable or unsafe care.

Providers will need to ensure AI tools meet not only regulatory expectations, but also ethical standards grounded in the realities of home-based care. Here again, ensuring each party's compliance and a proper allocation of liability is fundamental.

L.E.K. thanks Gilles Bigot and Julie Vern Cesano-Gouffrant for their contributions on legal analysis in this *Executive Insights*.

Note: This communication has been prepared for the general information of clients of L.E.K. Consulting. You should not rely on the contents. Although it touches on certain legal and regulatory aspects it does not constitute legal advice and should not be regarded as a substitute for legal advice or any recommendation.

Endnotes

¹INED, "Projections - Evolution de la population - France - Les chiffres." <https://www.ined.fr/fr/tout-savoir-population/chiffres/france/evolution-population/projections/>

²France Travail and Credoc, "Enquête annuelle sur les besoins de main d'œuvre (BMO) 2025." <https://www.francetravail.org/actualites/besoins-en-main-doeuvre-bmo-2025.html>

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