

TESTIMONY OF TOM FALIK, ON BEHALF OF  
THE CONNECTICUT ASSOCIATION OF HOME CARE REGISTRIES  
IN SUPPORT OF RAISED BILL 518

Good afternoon Senator Ayala, Representative Serra and the rest of the Aging Committee. Thank you for the time to testify on this important issue. My name is Tom Falik, and I am here today representing the CT Association of Home Care Registries.

The CT Association of Home Care Registries supports Raised Bill 518 to form a task force to study requiring home care registries to pay for workers compensations and unemployment coverage for the caregivers that they place. We would further recommend that the Bill be modified to expand its scope to cover other issues involving home care registries.

As you have heard from Kevin and Maggie, Home Care Registries have operated in Connecticut for over 80 years. A Registry is a matchmaking service between “*Caregivers*” and elderly and disabled “*Consumers*” who need home care services.

- The Registry model of home care allows (1) the Consumer to contract directly with a screened and qualified Caregiver and for necessary homecare, and (2) the Caregiver to decide for whom he or she will work, and the price of and schedule for that work.
- The cost to the Consumer of hiring a Caregiver through a Registry can be substantially less than obtaining the same service from an employee-based agency. The Caregiver works directly for the Consumer, and is paid by the Consumer
- Caregivers placed by Registries pay Federal and State taxes. If a Caregiver is an independent contractor of the Consumer, the Consumer will file IRS Form 1099. If a Caregiver is an employee of the Consumer, the Consumer will withhold taxes and file IRS form W-2.
- Registries allow consumers to stay longer in their own homes, rather than moving to facilities under Title 19 at enormous cost to the State.

In addition to these reasons, there is another compelling reason to approve this proposed task force, in order to study how registries can continue to provide critically needed services to CT consumers. In February, 2012, the Federal Department of Labor proposed Regulations that would require all employee-based home care agencies to pay minimum wage and overtime to Caregivers.

- Paying minimum wage would not be a major problem, as most registries already pay minimum wage. However, a requirement to pay overtime would be a major problem, especially for consumers with live-in caregivers.
- Either the cost of live-in care would increase significantly, or elderly people would need to hire two or three people on shorter shifts to provide the same care. The latter solution is very poor policy for caring for seniors, as multiple caregivers can be very confusing to the elderly.
- There is an exception in the Proposed Regulations for Caregivers that work directly for the person needing care. Apparently, a Caregiver provided by a Registry, but working for the consumer, will fit within this exception.

- The Proposed Regulations have been finalized by the Federal Department of Labor and sent to the President for final approval. It is our understanding that the Final Proposed Regulations vary very little from the original Proposed Regs.
- I have been told by our attorney, who represents several employee-based homecare agencies, that if the Proposed Regs are adopted, he will be advising his employee-based agencies to consider forming registries, especially for their live-in care business.

The CT Association of Home Care Registries does not believe that Registries should be required to provide workers compensation or unemployment coverage to independent caregivers. These independent caregivers prefer to work for themselves, at a higher pay rate than employee-based agencies pay, and forego these benefits. We do not believe that state government should require that these benefits be imposed on these independent caregivers.

We also believe that if this task force is approved, and proper study is made of registry legislation and regulation in other states, the legislature will be able to develop a more comprehensive registry statute that will better protect all parties involved, including the State. We stand ready to actively participate in any such task force that is created.

Thank you for allowing this time for me to testify.