

Raised bill 6432

An Act Concerning Homemaker Services and Homemaker Companion Agencies

February 26, 2013

My name is Dennis Patouhas. I am Vice President of the Homecare Association of America and have been for the past 12 years, owner of an employment based non medical homecare agency serving Lower Fairfield County. I am here in support of Raised Bill 6432.

While the registry model has been in existence for many years, its origins date back to Nurses Registries which sent nurses on assignment for acute cases. As professionals, these individuals fit the definition of independent contractor. As time went by and needs changed, these agencies dealt with more chronic lower skill needs and provided companions and aides on the same basis. Labor and tax law changed, and as structured businesses such as those represented by the Homecare Association of America emerged, placing protection of the employee and minimizing risk to the client became the basis for their business. Despite this shift, the registries resisted change and stuck to their model, despite rulings in Connecticut; that state to the contrary that their caregivers are not independent contractors.

While employer based agencies have chosen to take the approach to employment of their caregivers and services to their elderly clients, the registry model is not even required to pay employment taxes, provide workers with workers compensation and contribute to the states unemployment insurance fund, because they continue to believe that their staff are not deemed employees.

Over the course of the past 20 plus years, many organizations have elevated the role of caregiving by focusing upon doing what is right for the caregiver. The industry was very fragmented and became less so with the introduction of some of the franchise operators who sought to add structure and recognize the caregiver employee as a valuable asset, entitled to the benefit of social security, workers compensation and unemployment insurance. Some agencies have extended benefits to paid time off, 401K's and health insurance.

Throughout this, the state has been denied payment of unemployment insurance premiums and to add insult to injury, all legitimate employers in the state including all of the employer based agencies represented here today are called upon to pay added amounts to cover the sums borrowed by Connecticut to fund unemployment benefits that arose and still persist from the recession. All the while, no contributions for caregivers are made by the registries.