

**TESTIMONY OF TOM FALIK, ON BEHALF OF  
THE CONNECTICUT ASSOCIATION OF HOME CARE REGISTRIES  
IN OPPOSITION TO HB-6432  
AAC HOMEMAKER SERVICES AND HOMEMAKER COMPANION AGENCIES**

Good afternoon Senator Osten, Representative Tercyak and the rest of the Committee. Thank you for the time to testify on this important issue. My name is Tom Falik. I am Chief Operating Officer of Euro-American Connections, LLC, and I am here today representing the CT Association of Home Care Registries in opposition to HB-6432.

In CT, elderly people and people with disabilities have basically 3 ways to obtain private homecare services:

1. If they can afford it, they can hire an employee-based homecare Agency that does criminal background checks on, and trains and supervises, their caregiver-employees;
2. They can go the unregulated internet, Craigslist or newspaper classified ads, and obtain care from a person that may be unqualified, a thief or worse; or
3. They can engage a Referral Registry to assist them in finding an independent caregiver, that is properly screened and has been subjected to a criminal background check, but that costs substantially less cost than hiring an employee-based homecare Agency.

Below is a comparison of the employee-based Agency and Referral Registry business models:

		<b>Hourly Cost for Personal Care Attendant (PCA)</b>				
<b>Description</b>		<b>Typical CT Employee-Based Homecare Agency</b>	<b>% of Total</b>	<b>Typical CT Referral Registry</b>	<b>% of Total</b>	<b>Registry % Difference</b>
Total Cost of Care to Consumer		\$20.00	100.0%	\$16.00	100.0%	-20.0%
Gross Pay to Caregiver (before taxes)		(\$12.00)	-60.0%	(\$13.50)	-84.4%	12.5%
Workers Compensation (5.5% of pay)		(\$0.66)	-3.3%			
Unemployment Insurance (3.5% of pay)		(\$0.42)	-2.1%			
Gross Profit to Agency (before overhead)		\$6.92	34.6%			
Registry Referral Fee (before overhead)				\$2.50	15.6%	

These figures are not scientific, but they are a good approximation of the comparison between the two models. In this example, the total cost of care to a consumer, for care obtained through a Referral Registry, is 20% less than through an employee-based Agency, and the caregiver placed by a Referral Registry earns 12.5% more than the employee of an employee-based Agency.

HB-6432 would kill the Registry business model. It would do this by creating a fiction that the Referral Registry is the “employer” of all of the caregivers that it places, making it liable for wages, workers compensation and unemployment insurance. Unfortunately, the Legislature is being pulled into what is essentially a turf battle between employee-based homecare Agencies

and Referral Registries. Some employee-based Agencies want to kill Registries, merely because they are lower-priced competitors.

If the Referral Registry option were so eliminated, many seniors and people with disabilities in CT, who could not afford the more-expensive employee-based homecare Agencies, would be left to either:

1. Find caregivers on unregulated internet sites, Craigslist or newspaper ads: or
2. Obtain Title 19 caregiving services from, or go to facilities of, State-funded care sources, at an enormous cost to the State.

Additionally, the elimination of the Referral Registry business model would cause many independent caregivers to leave the market, reducing the availability of caregivers, at a time when the demand for caregivers is rapidly expanding.

Many proponents of HB-6432 (beyond those that just want to kill Registries), feel that all workers deserve, workers comp and unemployment insurance coverage. We respectfully disagree with this concept.

1. The fact is, the CT unemployment system makes little sense in the homecare industry, where caregivers (both Agency and Registry) tend to jump from one Agency/Registry to another, looking for the next available assignment. Other States, such as Florida, specifically exempt this industry from their unemployment system.
2. Workers Comp claims in this segment of the industry are very rare, but workers comp premiums are quite high, in part because, unskilled caregivers are lumped in with skilled caregivers, doing much riskier work. Other States, such as Texas, utilize much less expensive Occupational Accident Insurance to protect workers in this segment of the industry.

These are complicated issues. Other states, such as Florida, California and Pennsylvania have considered these issues and developed Registry Statutes that appropriately address Registry issues, and CT should do the same. (The Florida Legislature did its own study, when faced with calls to eliminate Registries, but instead determined that Registries were critically important to elder care in Florida:

[http://www.leg.state.fl.us/data/Publications/2000/House/reports/interim\\_reports/pdf/nurse.pdf](http://www.leg.state.fl.us/data/Publications/2000/House/reports/interim_reports/pdf/nurse.pdf)).

In the 2012 Legislative Session, SB-330, which was virtually identical to HB-6432, was the subject of a Public Hearing before this Committee. After that Public Hearing, the leadership of this Committee wisely decided not to continue support of SB-330, but instead proposed that a Task Force be created to study the issues of Registries in CT. Unfortunately, the Task Force Bill was never brought to a vote in the 2012 Legislative session.

This year, the Aging Committee has pre-empted this situation, and re-introduced last year's Task Force proposal as SB-518. By unanimous vote, a Joint Favorable Change of Reference from the Aging Committee sent SB-518 to this Committee for consideration. The CT Association of Home Care Registries strongly encourages this Committee to support the SB-518 Task Force Bill, and not approve HB-6432. We also stand ready to participate in any such Task Force.

Thank you for allowing this time for me to testify.