



CONNECTICUT ASSOCIATION FOR
HEALTHCARE AT HOME™

TESTIMONY

Delivered by Deborah R. Hoyt, President and CEO
The Connecticut Association for Healthcare at Home

Before the Connecticut General Assembly Labor and Public Employees Committee

March 11, 2014

Raised Bill No. 5313
An Act Concerning Homemaker Companion Agencies

Good morning Senator Holder-Winfield, Representative Tercyak, and members of the Labor and Public Employees Committee. My name is Deborah Hoyt, President and CEO of the Connecticut Association for Healthcare at Home.

The Association represents 60 Connecticut DPH licensed/Medicare certified home health and hospice agencies as well homemaker/companion and registries. These providers foster cost-effective, person-centered healthcare in the setting people prefer most – their own home. Collectively, our agency providers deliver care to more CT residents each day than those housed in CT hospitals and nursing homes combined.

We are Connecticut's community-based safety net, ensuring that the chronic conditions of the frail elderly, disabled, and homebound are managed and coordinated across the healthcare continuum, and understand the value that technology and interactive data communication brings to person-centered care.

We DO NOT SUPPORT the intent of HB 5313 as it designates a homemaker-companion agency, registry or homemaker-home health agency as the employer of individuals providing certain services to consumers for the purposes of unemployment compensation, wages and workers' compensation, and removes liability for such individual's personal injuries arising out of and in the course of employment from the consumer.

The Association **OPPOSES HB 5313** for the following reasons:

First, the bill makes the agency the employer for purposes of minimum wage and overtime, workers' compensation and unemployment. The agency employer would be required to handle administrative tasks as payroll administration, workers' compensation insurance administration, and unemployment compensation administration. These are all additional and costly undertakings and undoubtedly be passed on to the consumer through an increase in the referral charge.

Second, the agency will have little control over the "workplace" but will have all of the related obligations. For example, how will the agency know how the contracted individual schedules his or her working hours, or whether the working conditions in the client's home are safe/healthy, or when to challenge a claim for unemployment compensation? These situations will all become challenging responsibilities of the agency.



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Third, companions who work for individuals in domestic service are not covered by the wage and hour laws, but this bill will likely remove the exemption, resulting in additional compliance required by the agency.

Fourth, there will be challenges under potentially conflicting Affordable Care Act (ACA) laws. Often when an individual is an employee under several employment laws, then it becomes more difficult to argue that they are not employees under other employment laws. For example, when the National Labor Relations Board (NLRB) makes a determination of employee status, it always inquires whether the company/organization is providing benefits. There are also some difficult ERISA issues that apply to "leased" employees.

Lastly, this proposed legislation would result in private agencies or registries that act as a referral agency to close their doors as their newly required business model would no longer be sustainable. This proposed legislation would eliminate a CT consumer choice for finding in-home services.

As a result, consumers will have to employ homemakers from established healthcare agencies that provide these services with an existing workforce, or seek services through "underground" and less reliable venues such as Craig's List and other avenues.

The Association believes that consumers need a variety of options for finding the right match to suit their own needs or those of a loved one. Companion/Homemaker Agencies and registries provide viable options to Connecticut residents today.