

# Comfort Keepers of Lower Fairfield County

17 Heronvue Road  
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March 8, 2016

## Committee on Labor and Public Employees Testimony Regarding **HB 5368: An Act Concerning Homemaker Services and Homemaker Companion Agencies**

Dear Members of the Committee

I am Dennis Patouhas, owner of Comfort Keepers of Lower Fairfield County and the past Vice President of the Connecticut Chapter of the Home Care Association of America.

We are honored to have support among a number of organizations both nationally and locally that recognize the need of protecting both consumer and worker. I am writing in **SUPPORT of HB 5368.**

During the course of this hearing there will be testimony in opposition to this bill and the testimony may raise points of turf battle, unfair competition, leveling the playing field, removing self-directed choice by the consumer, eliminating a lower cost option for the consumer, higher pay for the worker and perhaps most important making the Registry model inoperative, thereby putting the registries out of business.

A point that everyone should remember is that this is not about a business model. It is not about whether a business is allowed to survive despite the fact that its operations could be construed as operating in a grey area of law. This is about people both caregivers and their clients who provide necessary services and are entitled to protection in the same manner as other workers doing the same type of work regardless of whom they're working for. And it's about the clients who need the care and are unsuspecting, unknowledgeable and in many cases desperate to get care and should not be burdened with something such as employer related responsibilities merely in order to preserve someone's business model.

**Does the caregiver receive higher pay?** Yes, because the added cost of running an employer based agency (at least 30%) is avoided by the Registry. No, they do not pass all those savings to the worker, but they do pay more by transferring to the worker the burden of taxes generally withheld by the agency and Social Security and Medicare contributions. Because they contribute to neither unemployment insurance nor workers compensation those savings too may be part of the higher amount paid. So at year end the worker may or may not pay taxes or self-employed contributions to social security and Medicare. Because their income is probably not reported by anyone, the worker is in the advantageous position to declare their income and pay the taxes or not. What other class of worker has or should have this option? Additionally, the registry has transferred to the worker the burden of unreimbursed costs due to possible injury in the absence of worker compensation insurance.

**Does the Consumer pay lower rates?** On the surface yes, if all that is considered is the pay to the caregiver whom they pay directly. However, what about the ongoing fee paid the registry for the placement? In addition, the consumer is obligated to withhold taxes and make contributions to social security and Medicare, pay premiums for workers compensation, supervise and manage the worker and do those tasks that are all part of the services an agency performs. When added together, any gap between the charges of an agency becomes significantly smaller or eliminated.

The testimony you hear today in support of this bill concerns itself with the consumer and the worker. The testimony that you hear today in opposition to this bill concerns itself with preservation of a business model and which is accomplished at the expense of the consumer and the worker. As the title of this committee States this is a Labor Committee not a Commerce Committee.

That a model has to exist by constantly changing its stripes in order to fit within the fine definition of laws and regulations seems so contrary to what this committee and this bill is seeking to accomplish.

If a model needs to operate in the shadows then does it deserve to exist at all? And if it ceases to exist it is not the workers who will be without employment for we have a desperate shortage of qualified caregivers in the United States and these people can find jobs anywhere.

Thank you for allowing me to testify

Dennis Patouhas

Owner