

Testimony Regarding

HB 6913

AN ACT CONCERNING COVENANTS NOT TO COMPETE

February 14, 2019

Chairwoman Porter, Chairwoman Kushner, Senator Miner, Representative Polletta and members of the Labor and Public Employees Committee:

My name is David Denvir and I am employed by Companions & Homemakers, Inc., a woman-owned homemaker-companion agency founded in 1990. Our company employs approximately 2,500 caregivers and provides services to both private-pay and Connecticut Home Care Program for Elders clients. I thank you for this opportunity to comment upon HB 6913 entitled "An Act Concerning Covenants Not To Compete."

"Covenants Not To Complete" vary considerably depending on the industry, the activity sought to be restrained, and the jurisdiction where the agreement was entered into. ***Consequently, misconceptions and mischaracterizations about the purpose, reach, and scope of these agreements abound.***

In the homecare field, agencies rely on employment agreements with ***non-solicitation covenants*** to protect their goodwill. The distinction is critical. Homecare employment agreements that incorporate ***non-solicitation covenants*** do not restrict a caregiver's employment or competition. They do not prevent employees from working for any of the more than six hundred registered Connecticut homecare companies, at any time. Most caregivers – even with signed employment agreements containing these covenants – work for more than one homecare agency so they may choose the most favorable work assignments. Nor do the agreements prevent a homecare caregiver employee from taking on independently-sourced private clients.

The agreement used by Companions & Homemakers specifically states that the employee may work for any homecare agency, or any homecare client they choose, at any time, with only a few, narrow exceptions. The agreement says the caregiver cannot – ***for a period of six months, only*** – leave the company and immediately provide services to same client that they met through their work at Companions & Homemakers. This means that out of an estimated ten thousand homecare clients in CT, a caregiver employee leaving Companions & Homemakers is prevented, for no more than six months, from working for just a handful of the thousands of homecare clients throughout Connecticut.

Homecare employment agreements (like the one that Companions & Homemakers uses) limit a caregiver's ability to work for one client, for a limited period of time: *the client their employer matched them with*. A match the agency has invested incalculable operational and financial resources to generate. When the match is lost, the agency not only loses that investment, but also revenue necessary to create jobs, enhance employee benefits (like 401K and medical insurance), or invest in better service delivery models for its clients.

Further, these agreements assure that homecare employees, homecare recipients and homecare employers benefit from supportive, long term relationships that include the full benefits that only agency employment can provide, as opposed to the inconsistent employment of a referral or self-directed care model.

I urge this committee to recognize that these agreements do not prevent anyone from working, and serve a vital purpose: stabilizing the homecare delivery model that provides, by far, the most employee benefits and protections.

I thank the Chairs and this Committee for their attention and I am prepared to answer any question on this topic.

Respectfully submitted by,

David L. Denvir
Companions and Homemakers, Inc.
