



Written Testimony Submission
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Committee on Labor and Public Employees
Public Hearing SB 1
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Senator Kushner, Rep. Porter, Senator Miner, Rep. Polletta and members of the Labor and Public Employees Committee. I am Janine Fay, CEO of VNA Community Healthcare and Hospice. We provide home health and hospice services in Middlesex and New Haven counties and employ over 400 individuals. As a health care organization we believe in providing the best support to both our patients and employees. Therefore in theory a paid FMLA is laudable, however I believe this legislation as proposed will have negative unintended consequences for our organization.

The first concern is the added administrative costs we will incur. We will need to track FMLA in two ways, going between our current benefit structure and this new State plan. A majority of our employees receive pay during their FMLA through use of their accrued sick and vacation time. The new State FMLA program will require differentiating which pay they are under and following the applicable rules. We also will need to maintain non-wage benefits such as Workers' Compensation, health and short term disability insurance during the new State program FMLA time. We are an industry that is under enormous cost pressures due to inadequate reimbursement. The majority of our services are paid for by federal or state government. We are not able to simply charge more for services to offset increased costs. Adding payroll deductions, educating our employees, tracking the added benefit are all additional burdensome administrative costs at a time when we are trying to decrease costs.

An even more costly aspect is the incentives. Most individuals will not abuse the system however the reality is that time and again once a paid leave converts to unpaid, an employee is more likely to return to work. In 2018 we had employees use over 7000 hours of FMLA time. It is unclear how the proposed paid FMLA coordinates with our current paid time off plan; the paid time provided under this bill on top of our employee's sick/vacation time will foster continuation of the leave. This is exacerbated by the bill seeking 100% wage replacement. Over 70% of our employees provide direct patient care and must be replaced if not working. If employees have more time off we incur additional costs for replacement workers. This past year we spent well over \$226k for replacement workers and that will only be exacerbated by this bill. For these reasons I encourage reducing the 100% wage replacement proposal, similar to many other states that have implemented paid FMLA at a lower percentage.

I would hope that as these bills are discussed there may be a compromise so that small employers such as my organization are not once again burdened with additional costs for both the employee and the employer.

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