



Connecticut

Senate Bill 1, An Act Concerning Paid Family and Medical Leave
House Bill 5003, An Act Implementing a Paid Family Medical Leave Program
Labor and Public Employees Committee
February 14, 2019

The Home Care Association of America was founded on the principle that quality home care has one model of care: to employ, train, monitor and supervise caregivers; create a plan of care for the client; and work toward a safe and secure environment for the person at home. Members of Home Care Association of America-Connecticut (HCAOA Connecticut) employ several thousand caregivers providing quality care to thousands of elderly consumers across the state.

Senate Bill 1 and House Bill 5003 would establish a family and medical leave insurance program that would require employers of one or more workers to offer 12 weeks of paid leave over a 12-month period. The bills could have significant unintended consequences that are unique to the home care industry and could be very disruptive to continuity of care and to seniors. HCAOA Connecticut urges you to consider these issues carefully as you debate them and before you adopt the legislation.

A paid FMLA program presents several challenges that are unique to the home care industry:

- The weekly compensation offered to covered employees would be 100 percent of his or her weekly earnings, which is a very generous benefit.
- There are very few protections against fraudulent use of the program.
- The employee who takes medical leave would be eligible upon return for the same job and rate of pay and working conditions, even if circumstances change for the employer such as a client is no longer with the agency.

Paid FMLA is not free; workers, caregivers, employers and taxpayers will bear a significant cost. Employee participation in the program is mandatory and employers are required to continue to provide non-wage benefits for employees participating in the program, such as life or health insurance and sick leave.

Employers and taxpayers will have to pay for the significant start-up and operating costs of the program, estimated last year to exceed \$30 million. Additional employer costs include administration and compliance with the program, notice to employees, transferring wage deductions to the state and managing routine absences. The state and municipalities are exempt from participating in the program.

Under the bills:

- Home care workers and caregivers will see reductions in pay of at least 0.5% whether they utilize the benefit or not.
- Home care companies would be required to continue to pay non-wage costs for those using the program and are responsible for administrative compliance.
- Employers would bear the cost of hiring and training replacement workers while retaining employees out on leave, a burden that will fall particularly hard on small businesses like home care companies.

Lawmakers should consider the significant burden paid FMLA imposes on home care companies and Connecticut's struggling economy:

- Ensure that employee funding meets the benefit cost.
- Adopt a 60%-70% wage replacement rate, similar to other states.
- Adopt stronger provisions that discourage fraud.
- Apply it to employers of 50 or more employees.
- Allow employees to opt out, making participation voluntary.

Home care companies will be required to identify, hire, train and place homemakers and companions as temporary replacements for other caregivers who are using the benefit. This will be very challenging and costly for small home care companies to administer and manage, many of which are literally mom-and-pop outfits without a human resources department. Who will seek a caregiver position that is advertised as only temporary? Caregivers are trying to earn sufficient pay by working more days and longer hours today. Families seek the same caregiver, someone who is trained, reliable and with whom they are comfortable, which is less disruptive as the elderly consumer lives out her remaining senior years in his or her own home.

For additional information or any questions, please contact Chaim Gewirtzman, chairman, HCAOA Connecticut, (203) 910-3190.