



# House of Representatives

General Assembly

**File No. 167**

February Session, 2022

Substitute House Bill No. 5332

*House of Representatives, March 29, 2022*

The Committee on Human Services reported through REP. ABERCROMBIE of the 83rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT PROHIBITING HOME CARE AGENCY CONTRACTS THAT PENALIZE CLIENTS FOR DIRECTLY HIRING AGENCY STAFF.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section, (1)  
2 "homemaker-companion agency" and "employee" have the same  
3 meanings as provided in section 20-670 of the general statutes, and (2)  
4 "no-hire clause" means a provision of a contract between a homemaker-  
5 companion agency and a client of such agency that (A) imposes a  
6 financial penalty, (B) assesses any charges or fees, including legal fees,  
7 or (C) contains any language that can create grounds for an assertion of  
8 breach of contract or a claim for damages or injunctive relief against the  
9 client for directly hiring an employee of such agency.
- 10 (b) Any no-hire clause in a contract between a homemaker-  
11 companion agency and a client of such agency is against public policy  
12 and shall be void.

13       Sec. 2. (NEW) (*Effective from passage*) (a) As used in this section, (1)  
 14 "home health agency" has the same meaning as provided in section 19a-  
 15 490 of the general statutes, and (2) "no-hire clause" means a provision of  
 16 a contract between a home health agency and a client of such agency  
 17 that (A) imposes a financial penalty, (B) assesses any charges or fees,  
 18 including legal fees, or (C) contains any language that can create  
 19 grounds for an assertion of breach of contract or a claim for damages or  
 20 injunctive relief against the client for directly hiring an employee of such  
 21 agency.

22       (b) Any no-hire clause in a contract between a home health agency  
 23 and a client of such agency is against public policy and shall be void.

|   |                     |             |
|---|---------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: |                     |             |
| Section 1   | <i>from passage</i> | New section |
| Sec. 2  | <i>from passage</i> | New section |

**HS**       *Joint Favorable Subst.*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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**OFA Fiscal Note****State Impact:** None**Municipal Impact:** None**Explanation**

The bill makes various changes regarding contracts between homemaker-companion agencies and clients, resulting in no fiscal impact to the state or municipalities.

**The Out Years****State Impact:** None**Municipal Impact:** None

**OLR Bill Analysis**

**sHB 5332**

***AN ACT PROHIBITING HOME CARE AGENCY CONTRACTS THAT PENALIZE CLIENTS FOR DIRECTLY HIRING AGENCY STAFF.***

**SUMMARY**

This bill prohibits contracts between a homemaker-companion agency or home health agency and a client from including a “no-hire” clause that, should the client directly hire an agency employee, (1) imposes a financial penalty; (2) assesses any charges or fees, including legal fees; or (3) contains any language that can create grounds for a breach of contract assertion or a claim for damages or injunctive relief. It expressly deems these clauses against public policy and void.

By law, employment contracts for providing homemaker, companion, or home health services are prohibited from including a provision that restricts an individual’s right to provide these services (1) in any geographic area of the state for any time period or (2) to a specific person (i.e., a “covenant not to compete”). These covenants are deemed against public policy, void, and unenforceable (CGS § 20-681).

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute

Yea 15 Nay 5 (03/17/2022)