

## Understanding The Differences Between In-Home Care Providers

Unprecedented growth in America's 65+ population – and the preference of today's seniors to live independently at home – have led to tremendous growth in the variety of in-home care providers.

While the majority of agencies offer a similar mix of homemaking, companionship, personal care and specialized services, the providers vary a great deal in how they operate. This can make a great difference in convenience of service for seniors and their families, quality and training of staff and overall costs of service.

It pays families to weigh the pluses and minuses of in-home care providers before selecting one. To help sort out the differences, the following is a summary of the three primary types of in-home care providers – independents, registries, and employment-based agencies, which include local, regional and national corporations or franchise operations, such as your local Comfort Keepers® office.

### **Employment-Based Agencies**

These organizations – which includes Comfort Keepers – employ caregivers and offer clients a turnkey solution. In this arrangement, the organization – not the client or family—is responsible for:

- Tax withholding and compliance with employment laws
- Insurance coverage
- Rigorous background checks, interviewing and reference validation

In addition, these agencies typically:

- Train caregivers before placing them, and provide ongoing training
- Make certain caregivers are properly licensed or certified
- Maintain a large roster of caregivers who can substitute when the regular caregiver is unavailable
- Provide ongoing oversight of caregivers

### **Independents ( people working privately or for agencies treating them like independent contractors)**

These are individuals, unaffiliated with an organization, who provide in-home care.

Generally, independents charge lower hourly rates. But this doesn't always translate to a net savings. When a client hires an independent provider, he usually becomes an accidental employer and is responsible for:

- All employment taxes and deductions for the caregiver.
- Insurance coverage such as workers' compensation to cover on-the-job injuries, and general liability insurance to cover property damage caused by the caregiver. Most homeowners' policies do not provide the needed coverage in such cases.
- Arranging for background checks and validating that the caregiver is a capable, appropriately trained and licensed, quality care provider. While not required, this is advisable for the client's safety and security.

Another consideration when hiring an independent is whether a qualified backup caregiver could be readily available when the caregiver is ill.

If you cut hours or terminate service, they can come after you for unemployment. Many issues that are usually overlooked.

## **Registries**

Registries build and manage databases of caregivers but do not employ them. Depending on the registry the client is usually determined to be considered the employer and responsible for tax withholding and insurance. These are important issues to check out. The decisions are made by the IRS, and not what a caregiver tells you.

Most registries typically complete background checks on the caregivers but generally are not allowed by IRS standards to supervise the caregiver and still be considered independent contractors. The registries act as “match makers,” providing options for families to consider. Most often the caregivers do not have workman’s compensation in the event of accident or injuries, bonding insurance for theft, or non owned auto liability insurance if they drive for you.

Beware of just bonded and insured on a company brochure. Make sure the caregiver coming into your home is also.