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Private Duty INSIDER

Strategies to improve productivity

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Health care reform

Employer insurance mandate delay buys time to explore Medicaid coverage options

Use the extra time you've gained to determine how many of your employees qualify for Medicaid. That will be an essential piece of the equation when deciding whether to pay or play when the employer insurance mandate takes effect.

Although the employer mandate has been delayed until January 2015, the individual mandate will take effect in 2014. All U.S. citizens and aliens who are lawfully present and who don't have health insurance that meets Affordable Care Act (ACA) standards must get it soon, or they'll have to pay a penalty.

*(see **Employer**, p. 8)*

Staff training

Proposed California legislation could mean more fees for agencies, higher rates

A pending change in California could have damaging effects on the home care industry. New legislation passed by the state's assembly would impose new licensure and training requirements on home care agencies and their aides and establish a public registry of certified home care aides.

On May 30, 2013, the assembly passed A.B. 1217, also known as the Home Care Consumer Protection Bill, with a 52 to 26 vote on mostly party lines. Assemblywoman Mariko Yamada, D-4th District, was the sole Democrat to vote no on the bill.

*(see **Proposed**, p. 8)*

Health care reform

Self-insurance may be secret to success with employer mandate compliance

Some home care agencies are considering self-insurance as an option for minimizing the financial impact of the employer insurance mandate.

A self-funded plan, often referred to by health insurers as an administrative services only (ASO) plan, provides employers with a few more options, such as offering a pared down insurance plan — paying in full for preventative care with a wellness benefit through a self-funded "skinny" plan — along with a traditional insurance option.

That strategy could eliminate the $2,000 per employee fine under the Affordable Care Act (ACA) insurance requirements — easily the most damaging of the penalties that can be levied against agencies. Employers who also add in the option of a comprehensive health plan that meets the minimum value requirements and is offered to employees at no more than 9.5% of their household income would reduce the likelihood of employees seeking insurance as part of an exchange. Employees who go that route also trigger penalties for their employer. (*See box, p. 9.*)

Though offering a plan that meets all the requirements may seem cost-prohibitive, agencies need to think about how many employees will really be interested in spending 9.5% of their salary on a comprehensive plan, particularly if a more affordable preventative care option is available, says Mitchell Besvinick, president of InnoBenfits LLC in Newtown Square, Pa.

Consider home care aides who make $20,000 a year. If they are offered a plan that covers 9.5% of their W-2 income, and the plan they will get for that will have a $4,000 to $5,000 deductible, they may not be able to afford that, Besvinick says.

While no firm numbers are available regarding the cost of health insurance exchanges, Besvinick speculates that even subsidized insurance will be out of the reach of low-paid workers. He believes that agencies are doing a service to their employees by self-funding a "skinny" preventative care-only plan, in addition to offering a comprehensive plan.

From an affordability standpoint, there should be a lower-priced alternative for employees to participate in, he says.

Seek protection through stop-loss plans

Agencies considering such plans need to be aware that offering these plans can be risky.

In the home care industry, agencies are just beginning discussions about self-funding options now that more self-insured plans for small employers are emerging from the market, says Bill Dombi, vice president for law of the National Association for Home Care & Hospice.

The home care companies that are looking into this option are exploring the financial consequences, comparing the penalty cost to the cost and risk of the self-insured.

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The Private Duty Homecare Association is an affiliate organization of the National Association for Home Care & Hospice (NAHC). PDHCA works to actively influence legislative and regulatory processes to influence the private duty industry and is located at 228 Seventh Street, SE, Washington, DC 20003.

A key factor is the availability and cost of stop-loss insurance, Dombi explains. Stop-loss insurance is a policy that would come into play after an employer had paid out a certain amount for an employee's medical expense.

Companies who self-fund will no longer have the benefit of knowing at the start of a year exactly how much their health plan will cost, warns Ben Conley, an employee benefits and executive compensation attorney in the Chicago office of Seyfarth Shaw.

"In traditional, fully-insured health insurance plans, the liability will never exceed that premium you've paid," Conley says. "With a self-funded plan, you're on the hook for every medical dollar. There's always a risk of catastrophic illness or injury."

The standard way to hedge the self-insurance risk is the addition of stop-loss insurance. These insurance policies generally are fairly affordable, allowing the stop-loss insurance to trigger at a low sum, such as $1,000 or $5,000, says Conley.

States take steps against stop-loss

But states have caught on, and are taking measures to reduce the effectiveness of stop-loss as a way to deter this self-insurance plan strategy. Five states — California, Minnesota, Rhode Island, Utah and Colorado — have introduced legislation that raises the out-of-pocket limits employers would be responsible for before stop-loss coverage is triggered.

The proposed laws would require anywhere from $45,000 to more than $60,000 to be spent out of pocket by the employer before the stop-loss insurance would kick in; many proposed bills impose additional restrictions as well. The U.S. Department of Labor, too, released stop-loss guidance in 2012 that expressed its concern "about the increase in the use of stop-loss insurance with low attachment points by self-insured small employer plans and the potential that it will undermine important requirements of the Affordable Care Act."

Those "skinny" plans may not be in the clear for long either. Conley says he's had his ear to the ground and believes the Internal Revenue Service, as well as Congress, will close loopholes for these plans in the ACA by 2015.

Self-insured options have been available for years for larger employers, but the option of self-funding health insurance plans is a relatively new alternative for small agencies. UnitedHealthcare just began offering self-funded plans to small groups with as few as 10 employees; the cutoff previously was 100 employees, says Cheryl Randolph, a spokeswoman for the insurance company.

"We had been working on this for a while as we've seen an increased demand from the market for these services even prior to the ACA," says Randolph."A number of our competitors have been offering this option for small employers for a number of years."

Tips to consider with self-funding

In the meantime, agencies that want to consider self-insurance as an option should:

- **Consider the effect of your plan on your employees.** Besvinick says that offering home care employees who have either not been offered care in the past or couldn't afford it a "skinny" plan helps these employees by providing some level of coverage that they can afford. It also helps agencies meet their compliance burden.
- **Consult good resources on the ACA before making a decision.** Seyfarth Shaw in Chicago offers a subscription-based online resource center that can answer agencies' self-funding questions. It's available at *https://aca-seyfarth.com/*. — *Angela Childers (angela.childers@gmail.com)*

Marketing and referrals

Consider pet therapy to build your agency's brand, improve patient mood

Dogs may be man's best friend, but introducing your clients to dogs as part of a pet-therapy program also can make your agency stand out in a crowded marketplace and improve your clients' quality of life.

During the months after Phoenix-based Cypress HomeCare Solutions started its pet-therapy program, the agency increased its private duty business over 20%. Cypress bills about 5,000 client hours a week, says Bob Roth, managing partner of the agency and managing director of One on One Home Care Solutions, a home care consulting company.

In addition to attracting referrals, animal-assisted therapy programs have been proven to have therapeutic effects that improve client care, says Roth, who is also a board member of the Private Duty Homecare Association, an affiliate of the National Association for Home Care & Hospice (NAHC).

Those benefits outweigh the cost, Roth says. Buying a pedigreed dog like Cypress' Lacey can cost up to $2,000, he says. Aside from vaccinations and other expenses, agencies also should expect to pay about $75 to $100 for an hour-long training session. Lacey required about 10 such sessions.

The idea to offer his clients free quality time with a friendly dog came to Roth a couple of years ago when he decided to take his yellow Labrador, Gretzky, to see a client and friend who was diagnosed with cancer.

The client's somber expression immediately lightened, and he appeared at ease when he saw Gretzky, who performed a trick of "singing" along to "If You're Happy and You Know It" in the man's room, says Roth.

He'd known about the potential benefits dog-assisted therapy brings to clients including reduced loneliness, anxiety and depression, but this experience inspired him to start his own pet-therapy service in early 2012.

So far, the dog visits between two and eight clients each month for up to about an hour or so, he says.

Pet therapy proven to reduce pain

Animal-assisted therapy can have a positive impact on clients' social, emotional and cognitive health and is well-suited to private duty, says Roth.

A visit from Lacey can serve to reduce loneliness, anxiety or depression and make clients forget about their pain for a moment as they connect with a friendly animal that is relaxed and well-trained, says Roth. A 2012 University of Pittsburgh study of animal-assisted therapy at an outpatient pain management clinic, for example, showed visits with a therapy dog provided meaningful pain relief in 23% of patients in the study over a two-month period.

Clients suffering from dementia or other similar maladies many times tend to withdraw socially but often come out of their shell when they see Lacey, Roth says.

One of Lacey's tricks is performed when Lacey is given the command "face," he says. Lacey will walk slowly up to clients and put her face in the clients' hands so they can pet her. She can also give flowers to clients held in her mouth.

Seeing a friendly dog also triggers clients' fond memories of their own pets and families, says Roth. The pet-therapy visit, then, also winds up serving as a conversation starter and chance for clients to have more meaningful interactions with Lacey's handler, Roth's wife, Susie.

Policy should cover agency liability

When adopting a pet-therapy program, be sure to develop a policy that incorporates a liability waiver before your dog and its trainer enter a client's home. As long as a client consents to having the dog enter his or her home for a visit, there are no regulations against doing so, says Roth. There are, however, guidelines that agencies should follow.

Therapet, a volunteer organization based in Tyler, Texas, that sends most of its 83 dogs and their handlers to acute care facilities in Eastern Texas, developed a policy in June to accommodate visits to people's residences that mirrors Roth's, says Michael Banks, president of Therapet. Management at the nonprofit developed the policy after it had to turn down a visit to a patient with cancer because Therapet didn't have a protocol in place to visit individuals' homes.

In order to maintain its liability insurance policy, for instance, Therapet also asks the patient to sign a liability waiver, says Banks.

Such a release form, which can be signed by the clients or their guardians, should include language stating that the agency is not responsible for any allergies or other reactions that may result and that the client assumes any responsibility for scratches, bites or other unpredictable behavior from the animal, says Roth.

Also, the animal's handler should be the only one who can bring it along for a visit, say Roth and Banks. No other dogs or large pets can be in the home during animal visits.

Other considerations that must be taken into account and agreed to by the client include whether they are afraid of animals, if there are infection issues in the residence, whether the client prefers a certain type of animal or breed, who will be in the house during the visit and if clients and their families agree to remove other animals from the house prior to the visit, says Banks.

How to use pet therapy at your agency

- **Get the necessary training for the dog and handler.** The majority of dog training involves training the animal's handler; in this case, Roth's wife, Susie. She was then able to reinforce the training with Lacey over the course of about six weeks. Lacey earned a certification from Therapy Dogs International, which assesses vaccinated canines on factors such as how they react to common health care equipment, if they can ignore food not meant for them, their willingness to be petted and

their ability to have positive interactions with all types of people, including children. This process takes about an hour and costs roughly $10, says Roth. The dog also passed the American Kennel Club's Good Citizen Test and works with Animal Actors of Arizona as part of her ongoing therapy dog training, he says.

For more on Pet Therapy International's registration and requirement policies, visit *(www.tdi-dog.org,)* or view the American Kennel Club's list of approved therapy-dog certification programs at *(www.akc.org/akc-therapydog/organizations.cfm.)*

- **Pick a breed that is suitable for the task.** Roth picked a yellow Labrador, because they're known to work with people, he says. He bought her from a breeder specializing in service dogs to ensure she would have the traits he was looking for in a therapy dog, such as obedience, sense of calm and ability to handle sensory elements like feeding tubes, the flashing lights and beeps of medical equipment.
- **Start a blog** that captures some of the efforts involved in your pet therapy program. Cypress has a marketer produce a blog on its website dubbed "Lacey's Blog" that includes stories about the program in the news and memorable visits with the dog. Keywords including those pulled from Lacey's blog improve Cypress' search engine optimization (SEO) and make its website stand out, says Roth. Clients are informed at the beginning of care of Lacey's caregiver services and are given Lacey's business card, which is shaped like a dog bone, to help remind clients of the service, Roth says. *(For sample business card, see tool insert.)* To take a look at Lacey's Blog, go to *(http://cypresshomecare.com/archives/category/laceys-blog/)*. — *Nicholas Stern (nstern@decisionhealth.com)*

Editor's note: *Read the full University of Pittsburgh study animal-assisted therapy at: (www.ncbi.nlm.nih.gov/pubmed/22233395).*

Marketing and referrals

Home care agencies post pictures on Pinterest to boost referrals

Pinterest, a social media site often thought of as a place for sharing recipes, planning events or getting craft ideas, is gaining popularity as a tool for agencies to attract referrals.

On July 9, Arcadia Home Care & Staffing added several images to its Pinterest and Tumblr accounts, providing information about Alzheimer's disease and hallmarks of aging. That day, the number of clicks to the agency's website increased 60% — to about 2,400, from 1,500, says Clayton Elliott, who heads up the social media efforts for the Southfield, Mich.-based agency which has 54 offices across 18 states. In the eight months since Arcadia started using Pinterest, thousands of people have clicked on its 82 posted images and linked to the agency's website, Elliott says.

Arcadia uses Pinterest as an educational tool, explaining what home care is and offering general information about health. The agency posts photographs, quotes and informational graphics. One graphic, for instance, offers tips to make a home safe for seniors including how to install a handrail to help with getting in and out of bed, store a fire extinguisher in an acceptable location in the kitchen and remove rugs that could pose a falls risk. (*See sample Pinterest page, insert.*)

Pinterest posts convey educational authority

Offering education leads people to consider the agency an authority figure and creates a knowledge center where consumers can turn for information, Elliott says.

An adult child of a person who needs home health might initially be using Pinterest for something like home decorating or recipes when he or she comes across a photograph of an older man and his adult daughter, says Merrily Orsini, managing director and founder of consulting company corecubed, Louisville, Ky. That might lead them to learn more about home care.

On Pinterest, a user searching with hashtags such as #agingparent, #memorycare or #homehealthcare will find images from Arcadia. Clicking on the photo of a happy elderly couple leads users to Arcadia's phone number, agency details and a spot where users can request more information from the agency.

Arcadia isn't the only agency seeing positive results from Pinterest. Orsini says she has worked with several agencies that have generated referrals using this site.

When used effectively, Pinterest can generate an increase in clicks to the agency's site, she says. "There's support and evidence that [potential customers] stay there and look around."

Users are 'perfect age' for referrals

Pinterest has 48.7 million users globally and a reported valuation of $2.5 billion — about $6.5 billion less than Twitter, according to *Bloomberg* and *Reuters*, respectively. In 2012, *Time* reported that more than 97% of Pinterest's Facebook fans were women.

The large percentage of female users makes Pinterest a great site for home care agencies, which draw many of their referrals from women, Elliott says.

Roughly 77% of Arcadia's audience on Facebook is female, and 46% of Arcadia's overall Facebook traffic is women between 35 and 54 years of age. The agency's website likely draws a similar audience, he says.

Elliott believes the typical Pinterest user is a woman between 45 to 60 years of age — "pretty much the perfect age group" to refer a family member to his agency.

Orsini says Pinterest is growing in effectiveness, though it's still not as useful as Facebook, Twitter or LinkedIn. It is a better social media site for getting referrals than Google+, however, she says.

Another plus: Pinterest doesn't need to be updated as frequently as Facebook, she says. Updating one time every month or so is effective.

Strategies to master Pinterest

Pinterest will not be effective for agencies unless they build a strategy around it, Orsini says. Many agencies misuse social media sites like Pinterest by doing things like posting photographs of their staff, an employee appreciation event or their office, Orsini says. "Things like that don't solve a problem."

Here are some things your agency might consider when setting up its Pinterest account:

- **Post things of interest to clients' family members.** That includes information about senior-friendly recipes, telehealth or telemedicine devices, special shoes or mobility aids, activities such as Wii or neighborhood walks, travel documentaries or learning channels and gift ideas or photos for Mother's Day and Father's Day, Orsini says.

  If such items are re-pinned, it will be sourced to whomever provided the original image, Elliott says.

- **Teach your users something new.** The most popular information Arcadia posts deals with falls prevention. Overall, Elliott says, educating users is a good way to get the foot in the door to ultimately get a referral.

- **Think visually — and post relevant visuals.** Pinterest is a photo site. To be effective, agencies need to attract people visually. It is effective to post photographs of happy fathers and sons or mothers and daughters, Orsini says. Arcadia tries to use a mix of visuals including photos, quotes and graphics containing useful information.

- **Use more hash tags.** Users will find your agency's Pinterest page by searching for the words that appear in your hash tags. For example a post linking blood pressure and Alzheimer's disease, might use the following tags: #Alzheimers, #ALZ, #Hypertension, #HighBloodPressure, #HomeCare, #ArcadiaHomeCare, #HomeHealthCare, #MemoryCare, #Dementia, #SeniorCare, #Eldercare, #SeniorLiving and #Prevention, Elliott says.

- **Draw eyes back to your website.** Images and agency posts on Pinterest should have an original link that directs users to your website, Orsini says.

- **Don't forget to tag.** If you tag something, it will come up faster than if it had not been tagged, Elliott says. Tags on Pinterest work similarly to hashtags on Twitter, he notes. — *Josh Poltilove (jpoltilove@decisionhealth.com)*

Marketing and referrals

Interactive websites can boost home care agency referrals

Offer educational information for people to download or print from your agency's website, including tips for providing care to loved ones. That information should include your agency's phone number and web address so people can refer back and contact your agency as desired.

Enhancements like this quickly led to 10 to 15 inquiries in the first few months after the changes were made for one agency. About 70% of those inquiries were converted into referrals, says Janet Hoffman, director for business development for that agency, Lifespan, in Battle Creek, Mich.

For years, Lifespan had a basic website with little information. "It was like getting a brochure," Hoffman says. Lifespan's revamped site launched early this year and immediately generated inquiries and referrals. The site offers more interaction with the community — videos, general tips, interactive polls and a link to quality outcomes data.

Sites have become 'point of first contact'

Health care is changing at a rapid pace, and potential clients and providers are using the Internet to gain information about care agencies, Hoffman says.

"We all recognize we have to move into that era of being interesting, and we have to have websites that capture peoples' interest," she adds.

People used to make initial contact with home care agencies over the phone, says Michael Belusko, acting administrator of Fairview Park, Ohio-based Classic Home Health Care. Now, people search for agencies online first to learn about them.

The Internet has become the key to effective marketing, he says.

Most people — even clients themselves — are now more likely to visit the agency's website before calling the office, Belusko notes. The site has become the agency's "point of first contact."

SEO is key to website investments

Classic Home Health Care's top two referral sources are reputation and a frequent presence in the media, Belusko says. But he believes that the agency's revamped website will become its top referral source in the next few months.

The agency plans to spend about $5,000 on improvements and is expecting to generate a 4% to 5% increase in overall referrals.

The site will offer more information about the agency's services, more access to educational sites, a basic overview of home care and a clear explanation of the agency's mission statement, Belusko says.

Classic Home Health Care also is considering hiring an organization to handle search engine optimization (SEO) to boost its online presence. The agency's website hasn't previously used it. SEO will make the agency more accessible and increase website views, which in turn will increase referrals, Belusko believes.

SEO also would generate more focus on the agency's marketing strategy by offering information such as the viewers' ZIP codes and the times people are viewing the site.

Boost referrals on the Internet

Agencies considering improving their websites to increase referrals should:

- **Post a referral form online.** That allows doctors and hospitals to make referrals directly through your website, Belusko says. Among the things on Classic Home Health Care's form: client demographics, services requested, diagnosis, number of services requested, primary contact info, a list of medications and primary physician information. Someone from the agency will respond to the referral within 24 hours, Belusko says.
- **Add a poll to your agency's website** that asks clients what's important to them when choosing an agency. Then use the results to write an article you post on the site, Hoffman suggests.
- **Provide easy access to satisfaction scores.** If your agency's client satisfaction scores are better than average, showcase those scores on your website.
- **Minimize the number of links that divert prospects away from your website.** If people navigate away from your site, they might not come back — and that could cost you the referral, Hoffman says. — *Josh Poltilove (jpoltilove@decisionhealth.com)*

Employer mandate delay

(continued from p. 1)

Options include getting insurance through employers, Medicare, Medicaid or state exchanges.

When open enrollment begins at Family Home Care in February, the agency's management will educate staff about Medicaid and suggest it as a viable option, says Jeff Wiberg, president of the Liberty Lake, Wash.-based agency. There will be a presentation on how to get enrolled and materials about who qualifies. Wiberg guesses that half his 200 employees will qualify for Medicaid, which is offered based on household income and size of household.

Medicaid could affect mandate choices

Those employees who qualify for Medicaid in 2014 could choose Medicaid in 2015 even if the home care agency offers insurance that meets the employer insurance mandate's standards. After all, Medicaid would be about $120 less expense per month per employee than the insurance his agency would offer in 2015, Wiberg states.

If enough full-time employees qualify for Medicaid, his agency might decide not to take the penalty of $2,000 per employee per year and instead offer health insurance that meets the mandate, believing that option will cost less overall.

Family HomeCare currently offers health insurance to its 200 employees but that insurance won't meet the standards set in the ACA. And Wiberg estimates that revising his insurance offerings to meet the ACA requirements would add up to a total of as much as $100,000 for all employees, according to information he's gleaned from the Kaiser Family Foundation and his agency's insurance broker.

Other agencies also might benefit from talking to their employees about Medicaid, Wiberg and attorney John Gilliland say. A family of four would need to earn less than $23,550 a year to qualify for fully subsidized Medicaid, Wiberg says.

The viability of recommending employees sign up for Medicaid depends primarily on the eligibility for Medicaid in your agency's state, says Gilliland, of The Gilliland Law Firm in Indianapolis.

There may be nuances from state to state, because some states will set up exchanges rather than letting the federal government administer insurance, Wiberg says. But if the states vary, it's likely they will provide additional coverage — not less — because if they provide less coverage, they will not qualify for federal funds.

Regardless, many home health employees who don't have health insurance simply won't pay to get it in 2014 and will swallow the penalty instead, Gilliland believes. The penalty for a single person not paying for health insurance is $95 for 2014, $325 in 2015 and $695 in 2016. It may be more depending on an employee's annual taxable income and what the national average through state exchanges will be, Gilliland says.

How to prepare for the mandate

- **Keep staff education as simple as possible.** Explain that staff is required to have insurance in 2014 while the agency isn't required to offer it until 2015. Explain what individual insurance might look like, what plans exist, what they cost and that employees of certain incomes could qualify for Medicaid, Wiberg says. In general, agencies also should know whether their state has set up an exchange and where it is being administered so they can point employees in the right direction, Wiberg says.
- **Monitor your workforce in 2014 if you don't want to pay for health insurance in 2015.** Agencies should decide whether to minimize the number of full-time employees. To calculate your number of full-time employees, determine how many staff members have worked 130 or more hours per calendar month over the course of a year, Gilliland says.
- **Continue to investigate the cost of insurance premiums.** Agencies also need to find out what the costs will be through state exchanges, because they don't have that information yet, Gilliland says. Knowing the cost of state exchanges' plans will give agencies a good preview of what insurance is going to cost them. — *Josh Poltilove (jpoltilove@decisionhealth.com)*

Proposed California legislation

(continued from p. 1)

Assemblywoman Bonnie Lowenthal, D-70th District, who sponsored the measure, argued that the legislation is necessary to protect the state's aging population.

"This is about public safety, plain and simple; 27 other states already have similar measures in place," she said on the assembly floor. "We place a lot of trust in these caregivers. A.B. 1217 ensures that they've earned that trust."

Health care reform

Industry cheers announcement of one-year employer mandate delay

Karen Armstrong was more than relieved when she learned there will be a one-year delay in the Affordable Care Act (ACA) mandate to provide health insurance for full-time staff or pay a penalty.

For the next year at least, the delay might save her non-medical in-home care agency, Helping Hands in Home Care in Prescott, Ariz., from cutting back staff hours or potentially going out of business.

Helping Hands has 250 employees, 50 of whom work full-time. The agency can't afford to pay for health insurance, and the delay saves it $60,000 a year in penalties, Armstrong says.

Her agency is not alone in breathing a sigh of relief in the wake of the delay announced July 2 by the White House. The delay will likely result in significant cost savings for agencies in 2014, says John Gilliland of The Gilliland Law Firm in Indianapolis.

In 2015, however, the ACA will still penalize agencies that are unwilling or unable to offer insurance despite having 50 or more full-time employees. Those agencies will have to pay a $2,000 fine per employee.

"All that's been delayed is when it's going to go into effect," Gilliland says. "The biggest thing I think it does for [agencies] is give them some breathing room."

Many agencies are still trying to figure out whether to pay the penalty or provide insurance — and what level of insurance they might provide, Gilliland says. — *Josh Poltilove (jpoltilove@decisionhealth.com)*

While the California Association for Health Services at Home (CAHSAH) has been asking for some type of licensing or oversight of unskilled workers for years, A.B. 1217 only imposes these new requirements on private duty agencies and their aides, not those employed by the state's In-Home Supportive Services (IHSS) program.

"My major concern is that the state doesn't seem to realize that this licensure bill only targets [private duty] employers," says Rick Davis, president of the American Board of Home Care (ABHC) and owner of Attentive Home Care in Santa Ana., Calif.

Legislation exempts largest agencies

California's state- and federally-funded In-Home Supportive Services program employs more than 350,000 home care workers to help nearly a half million low-income elderly or disabled individuals in the state remain in their homes. IHSS workers are represented by the Homecare Providers Union. In the last decade, the IHSS program has been evaluated multiple times by various county grand juries in the state for deficiencies in time sheet records, consumer fraud and more.

The IHSS program allows counties to form non-profit consortiums of caregivers, making the county a "quasi-employer" charged with managing applications, maintaining a caregiver payroll and serving as the employer of record for caregivers. Individuals can choose a caregiver from the IHSS registry, or hire their own — typically friends or relatives — who are not screened, trained or monitored through the IHSS registry but do receive a paycheck from the government for providing home care services.

The new legislation will require home care aides to be certified, which will include a background check, minimum training standards and regular tuberculosis screenings. Those non-registry friends and family caregivers, who comprise nearly 70% of IHSS caregivers, will remain exempt from those certification requirements even if A.B. 1217 passes. The bill also imposes new licensing fees and insurance minimums for agencies.

In 2007, Davis helped establish ABHC— a nonprofit trade association in Southern California that requires its members to meet minimum standards and provide proof of workers' compensation, among other requirements, as a way to distinguish themselves from registry agencies that send independent contractors into individuals' homes. He fears the legislation is a financial burden to agencies, and is likely to drive more aides and seniors into the underground economy.

"That's risky for seniors and exploitative to workers. For people who are struggling, who want to stay home and need legal but affordable options, the gap is becoming bigger," he says.

Davis projects that the fee-supported legislation will result in 35% more in operating costs annually if it passes, which could mean a big increase in the rates that will have to be charged to his families. Brittnei Salerno, the president and CEO of La Jolla Nurses Home Care, says agencies can expect to pay fees of nearly $10,000 a year associated with this bill, and that's just an early estimate.

Earlier bill vetoed in 2012

This isn't the first time A.B. 1217 has seen the light of day. In 2011, two bills that appeared strikingly similar on the surface were under consideration. Assemblywoman Yamada introduced A.B. 899, the Home Care Services Act of 2011, which was supported by CAHSAH. State Sen. Curren Price, D-9tth District, brought forward S.B. 411,

sponsored by the Service Employees International Union (SEIU). While A.B. 899 died in committee, S.B. 411 was passed by both the state's assembly and senate before being vetoed by Gov. Jerry Brown in 2012.

This year's bills are nearly identical to their earlier counterparts. A.B. 322 would have prohibited any agency or individual from arranging home care services by an aide without obtaining a license and would have prohibited the hiring of aides who failed to meet certain standards including specified language skills, background clearances and tuberculosis screenings. The bill didn't exempt IHSS workers. It also required agencies that refer aides who are independent contractors to identify themselves as employment agencies rather than home care agencies. Unlike Yamada's bill, A.B. 1217 calls for five hours of training for all non-IHSS aides, as well as the establishment of a public registry of certified aides, along with their employer's information.

Salerno says that a public registry identifying where an aide works is a real privacy concern for home care aides and no other health occupation calls for it.

Some have speculated that the aide registry is a union ploy to obtain the contact information of workers. The initial legislation called for the names and mailing addresses of aides to be made public on the website; after discussion, it was modified to replace the address with the employer's name and region.

A.B. 1217 has cleared one hurdle, and is currently in the California Senate Appropriations Committee. It is expected, however, that the Democratic-controlled State Senate will pass the measure. Whether or not it will get through the governor's office this time is up for debate.

"What will the governor do?" Salerno asks. "Nothing has changed in the bill whatsoever. Will he veto again? I can only hope." — *Angela Childers (angela.childers@gmail.com)*

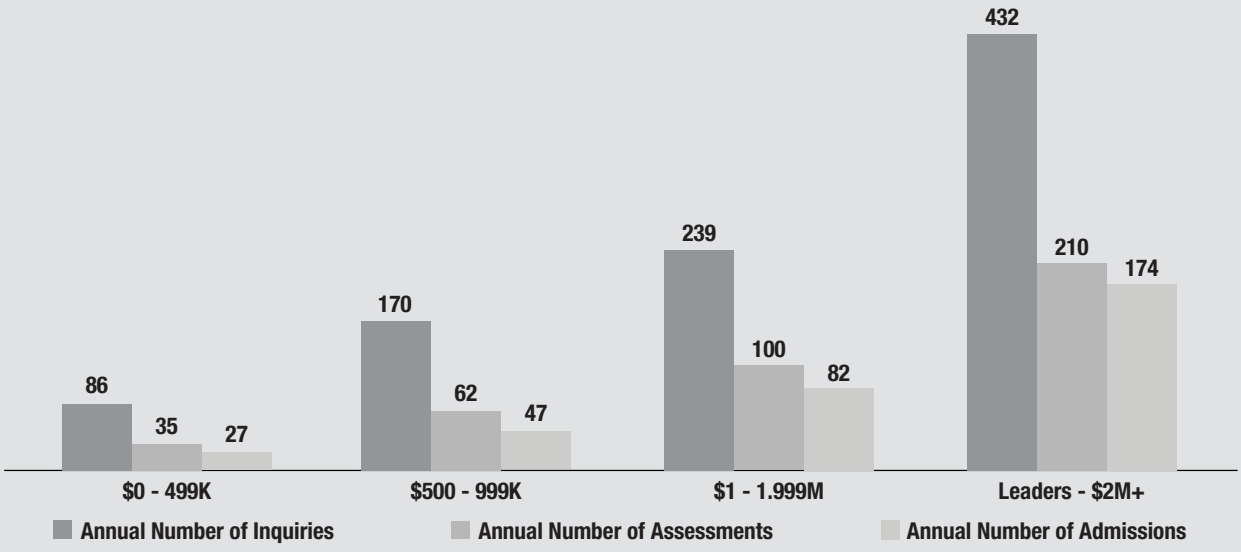
Benchmark of the Month

2012 median sales numbers by revenue range

This graph shows the number of annual inquiries, assessments and admissions broken down by revenue ranges in 2012.

Here's how to read the graph: For example, the leaders or agencies that billed more than $2 million in revenue in 2012 had 432 inquiries. Of those 432 inquiries, 210 received assessments and 174 became new clients or admissions.

These calculations are based off of median figures for the more than 500 home care agencies that participated in the 2013 Private Duty Benchmarking Study performed by Home Care Pulse, Rexburg, Idaho (*www.homecarepulse.com*).



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