

## Fact Sheet for Hiring Non-Medical In-Home Care

In California, there are no licensing requirements to provide non-medical in-home care. It is an unregulated field and only a business license is needed for an organization to offer in-home care services.

Currently, twenty three states require that non-medical agencies be licensed or registered with a supervising entity such as the Department of Health or the Department of Social Service. Legislation has been proposed in California but has not yet been passed.

These are the types of non-medical home care companies, each with a different business model, that provides resources for help in the home:

**Full Service Agency** – A full service agency or “full employer” agency will handle all of the facets of being an employer, including locating, screening, hiring, supervising, training, administrative and tax responsibilities, providing workers compensation and professional liability insurance, bonding, replacement of the employee and any other issues.

These agencies typically say they are “**Bonded and insured**”. Workers compensation and professional liability insurance will protect both parties in the event of an accident by either party. A fidelity bond or employee theft and dishonesty rider on their insurance will replace a client’s personal property in the event of theft.

To ensure that you are working with a reputable full service agency, we highly recommend that you request a copy of their insurance documents before starting service.

Full service agencies will normally cost from \$18-25 per hour.

**Domestic Referral Agency (DRA)** – DRA’s will provide a caregiver for a finder’s fee which is a one time only fee or a “fee for service”, which is a percentage or flat rate amount, paid ongoing amount on top of what is paid to the employee. This fee for service or finder’s fee is paid to the DRA. The caregiver will be paid directly by you and you may considered the Employer of record, and therefore responsible for any payroll taxes, workers compensation and liability coverage as well as supervising the Caregiver.

If you choose to utilize this model, your caregiver may not be bonded and insured. If you need a replacement, the DRA may provide this for you or you may do so yourself. DRA’s may or may not provide any criminal background checks. Also, it is important to note that the worker who is hired must also be responsible for reporting their wages earned appropriately to the IRS. This will help to avoid penalties to both the employer and the employee.

Typical costs for Direct Referral Agencies will range from \$16-20 per hour including the fee for service

A third option is home care agencies that offer both models of providing non-medical in-home care workers.

If you are hiring non-medical home care, it is recommended you ask these questions:

Will you conduct a home visit before services start?

Do you supervise your workers to make sure the proper care is given?

Will you provide random supervisory visits, to insure quality?

Are on-call personnel available for me 24 hours a day, 7 days a week?

Who employs the caregiver?

Who is responsible for filing payroll taxes?

What if I need a replacement?

What is your screening and hiring process?

What type of training have you provided to the caregiver that will work for me?

Who is responsible if the employee gets injured?

If there is a problem with my employee, what options do I have?

What if my employee files for unemployment after they quit their job?

What course of action can I take if I can prove the employee has stolen from me?

**“Nothing in this document should be construed as Legal or Tax advice and we recommend that you consult your own attorney, CPA or tax accountant before hiring in-home care.”**