Make Sure You Are An Informed Consumer
There are a variety of ways to get supportive services and it is easy to feel confused and unsure. There can also be differences in costs that are difficult to understand. In many cities throughout the country, there may be dozens of what appear to be similar companies offering non-medical home care and companion services, in addition to individuals who work independently. Yellow Page advertisements or Internet websites can look very impressive. It is important to understand all of the implications before making any decisions.

What You Need To Know
There are basically 2 ways to access supportive home care and there are major differences between each one. It is important to fully understand the advantages and disadvantages before making a decision. The 2 choices are as follows:

Home Care Agency (i.e. Home Instead Senior Care) – This is a company that employs individuals to provide specific health services and is responsible for taxes, insurance, bonding and workers compensation. Employment is the meaningful variable—it carries with it an array of protections:

- If an employee is sick or goes on vacation, they provide another employee to perform the needed services.
- The employees receive some degree of training depending upon the skill level.
- The agency supervises the employee, including regular visits to check on the work they are doing.
- A supervisor assigns specific duties and supervises the care professionals.
- Staff members keep records of services performed and of each client’s status.
- Staff members report changes in the client’s status to the supervisor or case manager.
- In many instances and depending upon the levels of licensing, the agency provides supportive services (i.e. personal care assistance to include help with the activities of daily living, homemaking, companions) and also skilled care (i.e. nursing treatments, physical therapy). This means that if someone receiving help with shopping and errands becomes ill and needs nursing help, he or she does not have to seek another source of help—the same agency can provide care. It can be a smooth transition for the client and the family already dealing with changes with someone becoming ill.

Independent Contractor (Privately Employed Caregiver) – This is a person who is individually hired by either a family member or the person needing help. While this may appear less expensive, there are many “hidden” costs and risks associated. Whoever hires an independent contractor must pay all of the appropriate taxes—they have assumed the role of employer. If the independent contractor is injured on the job, the person who hires the individual is responsible for medical bills and any other expenses. In addition, if the independent contractor is sick or goes on vacation, he or she is not obligated to find a replacement. There is no formalized supervisor or on-going training program. Perhaps lower in hourly rates, choosing an independent contractor does not provide the security, trust and assurance most people want for themselves or their loved ones.

Why not hire my own companion (independent contractor or privately employed caregiver)? Won’t I save money?
Many people choose to hire a companion independently. This may seem less expensive at first glance, however deeper examination reveals hidden costs. Below are several of the shortfalls of personally hiring your own caregiver:

Coverage Gaps
How many people are needed to assure coverage when necessary? Private caregivers or companions are people too, and will demand time off for themselves. Over the holidays, they may not be there. They may take time...
off for their own extended families. Private caregivers want personal time too, and they can burn out! When
the companion takes off, is sick, or wants a long weekend, who will fill in?

**Personal Risk**
A personal companion or private caregiver has access to your home, property, and bankbook. Is she/he always
honest? Who will be checking on her/him? Before hiring, be sure to perform a thorough background check, including criminal records, driving history, insurance claims, and medical or state licensure and knowledge; then supervise frequently.

**Tax Requirements**
When hiring a private caregiver/companion, the employer is responsible for social security taxes, Medicare,
unemployment compensation, workers compensation, withholding payroll taxes, and completing the
government reporting forms. *Private employees seldom complain about lack of tax reporting and payment until they terminate. Then they file a complaint that their employer failed to pay their social security or overtime. In some cases, they may choose to sue the estate of a client who has recently passed away because payroll taxes were not withheld or properly reported to the IRS.*

**Personal Liability**
If a private caregiver claims injury for a sprained back or an auto accident while shopping for groceries, failure
to provide workers compensation can leave the employer vulnerable to a law suit for hospital costs, injuries, lost wages, and damages—costly enough to bankrupt even the wealthiest employer.

**With Home Instead Senior Care, we are the employer. You call the shots and we assume the risk!**

![Logo](https://via.placeholder.com/150)

Joe Ward, Owner & CEO
Certified Senior Advisor (CSA)™

www.society-csa.com