



440 E Huntington Dr, 3rd Floor, Suite 309, Arcadia, CA 91006 | 1-877-421-1258 | info@kristacare.com

Consumer and Worker Risks from the Use of Nurse Registries and Independent Contractor Companies

Krista Care differs from other companies because we don't place independent contractors with clients for a fee. We care about our clients and our caretakers, so our home care aides are valued W-2 employees in which Krista Care assumes all legal obligations regarding employment.

We withhold payroll taxes and provide our caretakers with workers' compensation insurance, things companies who employ independent contractors don't do. We also supervise our home care aides regularly to ensure the highest of safety and standards are performed and our clients' needs are met.

Background

Krista Care is passionate about home health care. Our values benefit the consumers for whom they care, which include, but are not limited to, seniors, children, persons with disabilities, persons with chronic health conditions and anyone whose quality of life can be improved by having a home health care aide. We provide a variety of factors that make us different from the rest.

We provide every client with:

- integrity for safe, qualified and affordable care;
- excellence in services;
- effectively communicate these values to consumers.

As home health care needs grow, so has the use of employment agencies that act as “matchmakers” and pair independent contractors to clients and patients in need of service. Most consumers don’t realize the potential legal and tax consequences that come with using independent contractors hired by these companies. This document outlines the issues that could become significant and have a serious impact on the consumer.

Risks Associated with Use of Independent Contractor Companies

There are many hidden issues and unexpected risks associated with the use of companies who don’t employ their workers, but opt to hire independent contractors instead. One major issue is the employer-employee relationship that is created. This leaves the consumer, who is often unaware of this, and the worker at risk. It’s often that referring registries and independent contractor agencies don’t communicate to the worker and consumer which can result in the worker and consumer suffering financial liabilities.

Payroll Taxes

There is an array of confusing federal and state laws affecting those who receive home health care. If not careful, consumers could be considered the employer and have to comply to paying taxes including social security, Medicare, federal and state unemployment and payroll taxes. This leaves them at risk of being sued by the government, fines and other civil penalties. It also leaves the worker unprotected from receiving at least minimum wage and overtime protection to which they may be entitled.

Worker Related Injuries

Worker related injuries are potentially the most financially devastating result for consumers and workers who are unaware of the employer-employee relationship. State laws mandate workers’ compensation protection, but if a worker sustains an on-the-job accident and isn’t covered with the protection, liabilities can be substantial. Even the wealthiest client can sustain a huge financial loss due to medical costs and disability payments. The worker could be left with absolutely no help for those clients who can’t afford to pay those costs. Homeowners insurance typically excludes employees in the

home and won't cover this type of loss, so that's why worker's compensation insurance is so important.

Abuse and Exploitation

Registries or independent contractor agencies don't want to be considered as the employer of the worker, and therefore, offer little ongoing liability for their clients. They may provide inadequate or no background investigations on their caregivers, leaving their clients more vulnerable to physical, psychological or financial abuse. Most caregivers are caring, giving people, but some know how to take advantage of frail, cognitively impaired and functionally limited clients.

Worker Supervision

Registries and independent contractor agencies cannot provide any substantive work supervision, scheduling or training in home care without the Internal Revenue Service considering them the employer. These are protections that all consumers and workers should have, but don't without W-2 employed workers. Without supervision, difficult relationships between the client and caretaker can arise substantially and cause even problems that could have been handled by the employer.

Conclusion

Those who hire Krista Care never have to worry about any of the issues we've outlined. Since all of our caretakers are W-2 employees, we take on all of these liabilities and not our clients. Krista Care provides assurance that someone with experience and responsibility is carefully examining the changing care needs of our clients. Every family who hires Krista Care can rest assured that their protection and safety, as well as our caretakers, are first and foremost, and that we go above and beyond to always ensure it.