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Dorothy "Dottie"  
Cousineau

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Palliative Care  
vs Hospice



# INDEPENDENT *living*

The Newsletter of **INDEPENDENT YOU** Senior Care

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## Is the Risk of Hiring a Private Caregiver Too Steep?

**W**hen you've finally decided that you or someone you care about needs a little help at home, the journey into caregiving begins. The good news is that you'll have a few options to choose from. What's not so nice is that some choices come with inherent risks.

One of your main concerns is likely to be finding the right person with the right qualifications who is just the right fit for all your needs. A qualified in-home caregiver expects to be paid a reasonable wage for performing the agreed-upon hours of care.

Unlike caring for a small child who can manage for a few hours with a

teenaged-babysitter, seniors need trained, professional caregivers. The government has recently stepped up to help classify rules for in-home caregiver employment, which alleviates some of the confusion around payment.

One of the choices is to hire a private caregiver and agree on hours and a price. Initially, this may seem to be a simple solution. This choice may present health or safety risks to the senior and unexpected tax risks to the employer.

To avoid breaking any laws and alleviate financial and safety risks, it's prudent and wise to weigh the benefits of hiring a home health care agency

over taking a risk with hiring an independent caregiver.

## **What Legal Classifications Do I Need to Know About?**

The federal government decided that there's no real comparison between in-home caregivers and babysitters. From a legal perspective, we view them differently. The Department of Labor provides clarification about three important issues.

- How to classify in-home caregivers as employees
- Legal requirements for paying them
- How their pay gets taxed

## **The Setting Where the Caregiver Provides Care is a Factor in Classification**

In meeting the definition of an in-home caregiver, the federal government also considers the setting. They use three criteria for classifying care given in the home:

- The home has to be legally deemed the person's home.
- Group settings aren't considered homes.
- The person receiving care lived in the home where they now receive care.

The government classifies in-home caregivers as domestic employees and gives them many of the same rights as other workers. In addition to classifying in-home caregivers as domestic employees, the government differentiates between in-home caregivers and companions.

## **Do I Have to Pay My Private-Hire Caregiver Minimum Wage?**

One of the reasons that it's important to properly classify an in-home caregiver is that employers of domestic employees are legally required to abide by certain pay rules.

- Employers must pay domestic employees an hourly wage for all hours they provide service.
- Employers must pay domestic employees at least the state minimum wage.

- Employers must pay domestic employees overtime for working more than 40 hours per week.

## **Do I Have to Pay Overtime to My Private Caregiver?**

One of the common questions families ask is, "Do I have to pay overtime to my private caregiver?" In-home caregivers that are classified as domestic employees are legally entitled to overtime. What makes things a bit confusing is that individuals need vastly different levels of care from a few hours per day to around-the-clock care.

In-home caregivers may sometimes take meal and sleep breaks and sometimes they're not able to take a break at all. In both situations, they're on the clock even when they aren't providing care the whole time they are at their place of employment.

Tracking hours works best when caregivers keep a written record of how many hours they spend providing care. The answer is yes, you do have to pay overtime to your private caregiver.

## **Is There a Risk of Hiring Independent Caregivers?**

Individuals who hire in-home caregivers independently acquire major risks with their choice. Before taking such a step, it's vital that they consider the risk of hiring independent caregivers.

The financial risks when hiring an independent caregiver are steeper than most people realize. Families who fail to withhold or pay state and federal taxes for an in-home caregiver could be audited and have to pay large sums years later, as well as fines and penalties.

In-home caregiving presents many physical risks because of bathing, transferring, and lifting seniors. The individual that hires an independent caregiver could be held liable for injuries sustained while on the job.

Caregivers sometimes care for people who are ill or have communicable diseases. Employers could be liable for

expenses related to in-home caregivers who contract communicable diseases from those they care for.

### **What are the Dangers of Hiring Non-Agency Caregivers?**

In addition to the risks that the hiring individual takes on, hiring a non-agency caregiver also presents undue risks to the individual that needs care. Seniors needing care may be unknowingly at risk of abuse, neglect, or exploitation.

Seniors or their family members who decide to hire a non-agency caregiver don't always have the resources to perform background and criminal checks. While it's a good practice to obtain references, they aren't always reliable or truthful.

In-home caregiving requires a degree of relationship and nurturing. However, some caregivers cross their professional boundaries and harm their clients. This is a major risk in hiring a private caregiver.

Those who opt for hiring non-agency caregivers must also be aware that they will need a solid backup plan if their regular in-home caregiver cannot show up for any reason. Caregivers that don't show up and don't notify their employers is another one of the dangers of hiring non-agency caregivers.

### **Is Hiring Caregivers Under the Table an Acceptable Practice?**

Perhaps it may seem that hiring an in-home caregiver is much like hiring a babysitter, where you don't have to pay or withhold taxes on the money. This practice is widely known as "hiring caregivers under the table."

If you intend to pay the caregiver more than \$1800 per year, they are considered a domestic employee and as the employer, you are responsible for their Social Security and Medicare taxes. Employers and domestic employees who fail to pay legally mandated taxes are defrauding the government.

Employers of in-home caregivers should be aware that governments are cracking down on proper taxation of

in-home caregivers. Those who fail to abide by the laws may get caught and held responsible when:

- They receive notice of an IRS audit.
- The in-home caregiver reports their pay as income.
- The in-home caregiver seeks unemployment compensation.

### **What are the Pros and Cons of Hiring Private-Pay Caregivers vs. a Home Care Agency?**

When potential employers of in-home caregivers better understand the risks and benefits of hiring an in-home health agency versus an independent caregiver, it's easy to see that the benefits in contracting with a home care agency far outweigh the risks.

Here are the pros of using a home care agency:

- The agency takes responsibility for payment and benefits including regular and overtime pay.
- The agency manages claims for worker's compensation.
- The agency handles all tax matters.
- The agency provides background and criminal checks and checks references.
- The agency provides a substitute or replacement caregiver if the regular worker fails to show.

Here are the cons of hiring an independent caregiver:

- The family takes full responsibility for following tax laws.
- The family accepts responsibility for job-related illnesses and injuries.
- The family is responsible for paying minimum wage.
- The family is responsible for paying overtime.
- The family is responsible to find substitute care when needed.

### **What are the Tax Rules of Hiring a Caregiver?**

Employers of in-home caregivers must abide by the tax rules of hiring a caregiver that they employ and pay over \$1800 per year.

The IRS rules for employers of do-

mestic employees are:

- Pay 15.3 percent of the domestic employee's wages in Social Security and Medicare taxes.
- The employer retains 50% of those taxes. \*
- The employer can withhold half of the taxes from the domestic employee's paycheck.
- Employers who pay in excess of \$200,000 per year must pay additional Medicare taxes.
- Employers don't have to pay taxes for in-home caregivers who are immediate family members, spouses, parents, or children under age 21.
- Employers who pay \$1000 or more in a calendar quarter must pay federal unemployment taxes of 6% of the employee's annual wages.
- Employees should also be aware of any required state income taxes.

\*the employer's half of taxes are 6.2% for Social Security taxes and 1.45% for Medicare

## Concluding Your Options

Savings that employers receive by hiring an independent caregiver can end up costing them more in the long run and it's not worth the risk of hiring a private caregiver.

After educating themselves about senior caregiving, most people conclude that it's far more cost-effective to use a home care agency than to navigate all the legal and ethical challenges on their own. Home care agencies are professionals who rely on their quality of service and good names to build their businesses, so they work hard to keep clients happy.

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*Article taken from: Caring People Inc.*



## Independent You says Goodbye to its First Client

In November of 2010 I started Independent You with the goal of caring for seniors in the way I cared for my grandmother; with a great deal

of love and attention. After filing all the business entity paperwork, getting insurance, and starting a business bank account, I took a Certified Nursing

Assistant class. I earned my CNA certification and began looking for my first client.

My first client, Dorothy “Dottie” Cousineau, actually found me through a hair dresser, church friend connection. In the fall of 2010 Dottie suffered a major stroke that left the entire left side of her body paralyzed and caused her to be confined to a wheelchair. She was unable to return to her townhome in Fairfax and became a permanent resident of an assisted living facility. Though she never complained or voiced anger over the situation, her retired life of travel and independence came to an abrupt end.

Dottie and I first met in March of 2011. I can clearly remember Dottie and her friend, Judy, interviewing me. We sat in the living room of her unit and I confessed that I did not have any professional experience as a caregiver but that I had taken care of another lady years before (volunteer work) and I had taken care of my grandmother. I took out a photo of my grandmother and me, a picture that I felt clearly showed my love for my grandmother, and showed it to Dottie and Judy. I told them how close I had been to my grandmother and, when she went to live in a nursing home, I visited her almost daily. A few days after our visit, Dottie’s sister, Debbie who lived in Ohio, called to ask if I would be willing to work with her sister. I happily accepted.



**I also became a better caregiver, learning how to really provide good hands on care with someone who needed me.**

For almost the next three years I worked with Dottie three to four hours a day, three times a week. My primary duty was to push her back and forth from her facility to the hospital where she received physical therapy. During those first years together, going back and forth to the hospital, we never had a rainy day. Sometimes it was cold and I would bundle Dottie up with a jacket, scarf, gloves and blankets but not a single drop of rain. During those walks together we shared stories of our lives and grew very close. I also became a better caregiver, learning how to really provide good hands on care with

someone who needed me.

My friendship with Dottie grew into a fun and wonderful relationship. I always wanted Dottie, in some small way, to experience some of the things that she could no longer do because of her stroke. Dottie was an avid hiker so I took her hiking on the Limber Lost trail in the Shenandoah. Dottie loved to watch movies so frequent movie outings with Judy and I were a normal part of our routine. We also had small gatherings in her apartment at the assisted living where she hosted her friends for wine parties, Christmas celebrations and birthday parties. When her family came to visit there would be dinner outings. When Debbie would visit we would spend an entire afternoon shopping. Dottie’s wheelchair, and sometimes Dottie, would be covered in

packages. When Debbie passed away last year, we were able to make the trip to Ohio for her funeral.

Dottie's family has expressed to me, numerous times over the years, their gratitude for the work I have done with Dottie and I am appreciative of their kind words. However, I don't believe that I have been able to convey my appreciation for Dottie coming into my life and how much I have loved her. She was my first client and that will always make her special to me. But what was so remarkable is what she taught me by the way I saw her living her life. She never once complained the losses she suffered due to her stroke. She was always a bright positive person with a happy smile.

When my time with her became less because of the growth of my business, Dottie was always interested in what I was doing and happy to see my business growing. She was very thoughtful in her words and advice. She had a strong belief in God and strong political beliefs. She valued her right to vote and never missed her opportunity to vote in any election. Dottie was an uplifting person and as a result you felt uplifted just being with her.

I am so thankful to have known and loved Dottie. I look forward to the day when I will see her again.

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*Mary Beth Crosson,  
Principal, Independent You, Inc.*



## Palliative Care vs Hospice: What's the Difference?

**H**ospice care is similar to palliative care, but there are important differences. Because more than 90 percent of hospice care is paid for through the Medicare hospice benefit, hospice patients must meet Medicare's eligibility requirements; palliative care patients do not have to meet the same requirements.

### What Is the Difference Between Palliative and Hospice Care?

While the objective of both hospice and palliative care is pain and symptom relief, the prognosis and goals of care tend to be different. Hospice is comfort care without curative intent; the patient no longer has curative options or has chosen not to pursue treatment because the side effects outweigh the benefits.



Palliative care is comfort care with or without curative intent.

### **Hospice vs. Palliative Care**

**Definitions:** The definition of hospice care is compassionate comfort care (as opposed to curative care) for people facing a terminal illness with a prognosis of six months or less, based on their physician's estimate if the disease runs its course as expected. The definition of palliative care is compassionate comfort care that provides relief from the symptoms and physical and mental stress of a serious or life-limiting illness. Palliative care can be pursued at diagnosis, during curative treatment and follow-up, and at the end of life.

### **Hospice vs. Palliative Care**

**Eligibility:** Hospice eligibility requires that two physicians certify that the patient has less than six months to live if the disease follows its usual course. Palliative care is begun at the discretion of the physician and patient at any time, at any stage of illness, terminal or not.

### **Hospice and Palliative Care**

**Teams:** Interdisciplinary teams deliver both hospice and palliative care. They address physical, emotional and spiritual pain, including such common worries as loss of independence, the well-being of the family and feeling like a burden.

**Paying for Hospice vs. Palliative Care:** Hospice care costs are paid 100 percent by Medicare, Medicaid and private insurance; hospice is the only Medicare benefit that includes pharmaceuticals, medical equipment,

24/7 access to care, nursing, social services, chaplain visits, grief support following a death and other services deemed appropriate by the hospice agency. By comparison, palliative care costs—from office visits to prescription charges—can vary.

### **Where Do I Receive Hospice or Palliative Care?**

Hospice care is delivered at home or in home-like hospice residences, nursing homes, assisted living facilities, veterans' facilities, hospitals and other facilities. Palliative care teams typically work in a hospital.

### **What Kind of Patients Choose Palliative Care?**

The American Society of Clinical Oncology has identified the characteristics of a patient who should receive palliative care but not curative treatment; these characteristics are applicable to patients with other diseases, too.

- The patient has limited ability to care for himself.
- The patient has received curative treatment and is no longer benefitting from it.
- The patient does not qualify for an appropriate clinical trial.
- There is no evidence that further treatment would be effective.

Talk to your family and your doctor about your goals of care and whether palliative care and/or hospice might improve your quality of life.

*Article by Vitas Healthcare*



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