

Agency or Registry Care? Distinctions to Keep in Mind

Agency-Directed Care

The **Agency** recruits, screens, and hires caregivers as employees.

The **Agency** assigns available caregivers to the client. If the client is not satisfied with the caregiver, the Agency may, in its sole discretion, assign another caregiver as one is available.

The **Agency** has a limited number of employed caregivers from which to draw, giving the client fewer options regarding the caregivers assigned to his/her case.

The **Agency** may have no option but to leave the client without care when no employed caregivers are available.

The **Agency** may reassign caregivers without consulting with either the caregiver or the client.

Caregivers employed by an **Agency** are protected under state and federal employment laws and thus their job security is not necessarily dependent on the quality of care they provide.

The **Agency** provides Worker's Compensation Insurance which, in the event of injury on the job, both insures the caregiver and protects the Agency by preventing the caregiver from suing the Agency. The Agency's Worker's Compensation policy provides no protection for the client in the event of a lawsuit.

Supervision: Only **Medicare/Medicaid Certified Agencies** are required to do supervisory visits every 60 days. In any case, supervision is indirect at best.
State Licensed Agencies can make RN visits with patient's approval and charge a fee.

Abby Services Inc. (Nurse Registry)

The **Registry** recruits, screens, and lists on its registry caregivers who are Independent Contractors.

The **Registry** refers Independent Contractors to the client, and vice versa, giving both parties the option of accepting or rejecting those referrals. This process is repeated (as needed) until both the client and Independent Contractors are fully satisfied with the referral.

The **Registry** has a much larger pool of Independent Contractors to refer to the client, allowing the client much more flexibility in choosing his/her own caregivers.

The **Registry**, because of its larger pool of Independent Contractors, nearly always has caregivers available to refer to the client.

The **Registry** does not alter a client's care calendar unless requested to do so by the client or caregiver.

Independent Contractors referred by a Registry are dependent on their good reputation in order to continue receiving referrals. Thus, they are highly motivated to provide high-quality care to their clients.

An Independent Contractor is responsible to provide for his/her own health and liability insurance. (As a Registry Abby Services only refers caregivers who maintain their own private liability coverage.) All caregivers are bonded.

Supervision: Registries must offer RN visits and charge a fee when HHA or CNA services are provided. Arrangements can be made to provide a case manager who would charge an additional fee.

Agency-Directed Care

By using an employee of an **Agency**, the client is subject to double liability, both from the caregiver and the Worker's Compensation Insurance company, in the event that client negligence leads to the injury of the caregiver. This liability cannot be avoided by any model of in-home or private care. (An "umbrella policy" through the client's homeowner's insurance company may offer protection from this liability.)

By using an employee of an **Agency**, the client is not liable if the caregiver's own negligence leads to the injury of the caregiver.

The **Agency** withholds Income Tax from the caregiver's wages, pays its portion of the caregiver's Social Security Tax, and submits a W-2 Form to the caregiver and the IRS.

The **Agency** charges the client to cover its cost of Worker's Compensation Insurance, caregiver Social Security Taxes, and other employer-related expenses.

The **Agency** is required to pay its employees for any overtime worked. This cost is typically either passed along to the client or the caregiver's availability is restricted in order to avoid overtime cost.

The **Agency** bills the client and pays the employed caregiver.

Abby Services Inc. (Nurse Registry)

By using an Independent Contractor referred by a **Registry**, the client is only subject to liability from the caregiver in the event that client negligence leads to the injury of the caregiver. This liability cannot be avoided by any model of in-home or private care. (An "umbrella policy" through the client's homeowner's insurance company may offer protection from this liability.)

By using an Independent Contractor referred by a **Registry**, the client is not liable if the caregiver's own negligence leads to the injury of the caregiver.

The **Registry** submits a 1099 Form to the Independent Contractor and the IRS. As a self-employed Independent Contractor, the caregiver is responsible for his/her own Social Security and Income Taxes. The client has no tax or Social Security obligation to the caregiver, unless the client hires the caregiver privately as a Household Employee.

The **Registry** negotiates a referral fee with the client, which is generally less than the fees charged by an Agency. This often saves the client money and allows the caregivers to be better compensated.

Independent Contractors referred by a **Registry** are not subject to Federal or State overtime regulations and may work the hours to which both they and the client agree.

The **Registry** generally bills the client on behalf of the Independent Contractor as agreed and reimburses a negotiated rate to the Independent Contractor.