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COMPANIONSHIP EXEMPTION PROTECTION ACT

BACKGROUND

In 1974, Congress established an exemption for companionship services from the Minimum Wage and Overtime Requirements of the Fair Labor Standards Act. Congress made a societal choice in balancing the interests of the worker relative to the needs for care to the elderly and the infirm. Current law provides the Secretary of U.S. Department of Labor (DOL) the authority to define and determine the scope of the companionship exemption.

In 2007, Supreme Court ruling maintained the current companionship services exemption regulation was valid. Since the ruling, there has been a re-focusing of efforts by some opposed to the DOL rule. Opponents are asking Congress and the Obama Administration to limit the current companionship services exemption while also seeking legislative and/or regulatory remedies at the state level. Some states already have passed laws that eliminated the companionship services exemption. In other states, there are efforts to interpret the regulations in a manner different than the federal rules.

NEED FOR LEGISLATION

- Many home care providers are small businesses with limited resources. Changing the companionship exemption would reduce the availability of care to the elderly and the infirm and increase the costs of service delivery with no corresponding increase from third party payers, such as Medicaid.
- DOL issued a regulatory agenda in 2010 that lists a plan to issue a revised regulation relating to the definition of companionship services during the 112th Congress. The potential for regulatory changes under different Administrations creates uncertainty for home care providers, as well as patients and their families.

LEGISLATION

The Companionship Exemption Protection Act (H.R.3066) would maintain the current definition of companionship services used by DOL.

*For more information, please contact the NAHC Government Affairs Department, 202-547-7424
To cosponsor this bill, please contact Sarah Riser with Representative Terry's office, (202) 225-4155*