



# Comprehensive Nursing Services, Inc.

## Comprehensive Home Health Services

February 7, 2024

**This testimony favors SB 197 with amendments - Residential Service Agencies - Reimbursement - Personal Assistance Services.**

I am writing on behalf of Comprehensive Nursing Services, Inc. CNS, a licensed Residential Service Agency accredited by the Joint Commission.

CNS supports this bill as it justifies the unfairness that employees, patients, and the State of Maryland face, unlike RSAs that use subcontracted workers. However, we ask that the bill expand its definition of personal assistance services to include LPN and RN services. These licensed professionals contribute to the caregivers' population, and this bill should also apply to them.

Misclassification of the worker often causes the individual to have tax struggles because of the lack of withholding Federal and State taxes. Frequently, we have applicants call our office to confirm that we withhold these taxes before applying to our agency because of past work experience with 1099 agencies and digging themselves out of a financial hole. There is also the concern that the families being cared for may not be protected by workers' compensation or medical malpractice, as individuals working under 1099 may not carry the appropriate coverage.

Additionally, this is unfair to the agencies such as ours, which are responsible for FUTA, Maryland unemployment, and FICA. We also carry professional liability and workers' compensation insurance. Agencies that employ subcontractors do not have this overhead or have to pay overtime. Not paying overtime leads to nurses working more than the allowed 60 hours per COMAR regulations.

And finally, this practice is unfair to the State of Maryland because the State has lost revenue due to RSA's using subcontracted employees. The State of Maryland cannot collect State unemployment from these agencies. To give you a visual of how much misclassification of workers can cost the State, our agency that classifies its nursing staff as employees paid 24,500 dollars in Maryland unemployment tax in 2023.

Thank you for your time, and we appreciate your attention to this issue; we hope you consider expanding this bill to include LPN and RN services. If you have any additional questions, please get in touch with our office.

Thank you,

Jocelyn Buchanan, MSN-Ed RN  
Administrator/Co-Owner



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