



Comprehensive Nursing Services, Inc.

Comprehensive Home Health Services

February 16, 2022

Testimony IN SUPPORT OF HB0544/SB0600 (with amendments) Health Facilities Residential Service Agencies - Reporting Requirement

My name is Dr. Mark Bayne, and I am the co-owner of Comprehensive Nursing Services, Inc. CNS, a licensed Residential Service Agency accredited by the Joint Commission. We provided in-home nursing services for over 33 years to medically technology-dependent patients. I am testifying today in support of HB0544/SB0600..

I support this bill for several reasons; first and most important, it increases clients' safety. Aside from operating outside the labor law, agencies that utilize sub-contractors do not provide proper supervision outlined in the COMAR regulations. The lack of oversight increases the chances of medical errors for the patient and the risk of malpractice lawsuits. Contracted agencies are not responsible for providing malpractice insurance, and often the sub-contracted employee is unaware of the lack of coverage and does not purchase insurance individually. No insurance coverage leaves the patient and the sub-contracted employee unprotected. This bill would help protect the patient and the employee, which is the second reason I support HB0544/SB0600.

Utilizing 1099 is unjust to the employee, and Sub-contracted employees are potentially not covered under malpractice or workers' compensation. Additionally, applicants applying to my company find themselves having tax struggles because, under their former 1099 employer, and like the malpractice insurance, they did not realize the agency was not withholding Federal and State taxes.

Misclassification is unfair to the agencies that follow the COMAR regulations with W-2 employees. Agencies like mine are responsible for FUTA, Maryland unemployment, and FICA. We also carry professional liability and workers' compensation insurance. Agencies operating within the labor laws scope with W-2 employees must pay these additional costs to run a business. I am also required to pay for overtime and healthcare to qualifying employees. Agencies that employ subcontractors do not carry this overhead.

Lastly, this is unfair to the State of Maryland. The State has lost revenue due to agencies operating outside the scope of the labor laws. RSA's using subcontracted employees, the State of Maryland, cannot collect Federal and State unemployment from these agencies". Last year, my company, Comprehensive Nursing Services, paid over fifty-three thousand dollars in Maryland State Unemployment taxes.



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My only amendment request is there should be no pay rate reporting for agencies, and there is no clarification for why it is needed, and I do not believe this should be a requirement. Thank you for your time.

Mark Bayne, RN PhD
Director of Nursing Services



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