

Senators Alexander, Burr, Johanns, Coburn, Cornyn Call on Obama Administration to Reexamine Plan to "Undermine Care" by Raising the Cost of In-home Companion Care

Urge the administration to return proposed rule to the Labor Department for "a more accurate analysis"

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Washington, **D.C.**, **April 8** – U.S. Senators Lamar Alexander (R-Tenn.), Richard Burr (R-N.C.), Mike Johanns (R-Neb.), Tom Coburn (R-Okla.), and John Cornyn (R-Texas) today urged the administration to reexamine its plan to raise the cost of in-home companion care and perform "a more accurate analysis" to determine the "the actual cost that the proposed rule would have on recipients and caregivers."

In a letter to Boris Bershteyn, the acting administrator for the Office of Information and Regulatory Affairs at the Office of Management and Budget, the senators ask that the agency return to the Department of Labor for further review and analysis a proposed rule to essentially eliminate a current regulation, known as the "companionship exemption," which has exempted companionship services and live-in domestic services from overtime requirements under the Fair Labor Standards Act since 1975.

The senators write: "Current law is a reflection of the will of Congress

to protect both the interests of elderly and disabled care recipients who need affordable care along with those of caregivers who want predictable employment arrangements. ... The imposition of an FLSA regulatory regime will not only undermine care but it will result in employment instability for caregivers who have long been able to take advantage of the mutually beneficial arrangements that the companionship exemption allows."

In requesting a more accurate economic analysis of the rule, the senators write: "DOL's economic analysis relied on inadequate data to evaluate the impact of its proposal, and its economic assumptions understate the proposal's costs while exaggerating the proposal's benefits."

They add: "In reality, this proposal will lead to fewer care options for seniors and the disabled or require those who need these services to rotate caregivers, which will disrupt their continuity of care."

In May of last year, Senators Johanns and Alexander introduced with 11 other senators the <u>Companionship Exemption Protection Act</u>, a bill to preserve the law now exempting those who provide in-home companion services from certain labor requirements, as threatened by the rule proposed by the Department of Labor.