



## FACT SHEET



# Licensed versus Unlicensed Home Care Services

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### Overview

The Home Care Services Consumer Protection Act (the Act) took effect in California on January 1, 2016. Beginning January 2016, all Home Care Organizations (HCOs) must be licensed by the California Department of Social Services (CDSS) prior to providing home care services. Additionally, all Home Care Aides (HCAs) employed by HCOs must be registered on the HCA Registry prior to providing care in the home. To provide the care that you or your loved one(s) need, the Act ensures that HCOs are using HCAs who meet training requirements, are free of active tuberculosis, and are background check cleared through CDSS.

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### Some Differences Between Licensed Care and Unlicensed Care

**Licensed care** through an HCO, ensures the registered HCA meets minimum training requirements, is clear of active tuberculosis, and is background check cleared with CDSS. HCOs will work with you to establish the HCAs' schedule, compensate for time off or sick days, and can provide a replacement registered HCA when necessary. Should anything happen to you or your loved one(s), there is a line of communication between the HCA and HCO. Additionally, CDSS investigates complaints made regarding an HCO and can issue civil penalties or revoke a license for non-compliance with the law and/or regulations. It is important to note, CDSS does not have the statutory authority or responsibility to investigate complaints against registered or non-registered HCAs.

With **unlicensed care** (referral agencies, private hires, care placement agencies, etc.), the individuals placed in your home may not have any training to provide care. They may also have a criminal history that could be unsafe for you or your loved one(s). The caregiver may show up late, call in sick, not perform the job well or meet your needs and as they are independent contractors, there is no employer oversight. Additionally, CDSS has no oversight authority over these unlicensed care entities or to investigate complaints filed against these entities.

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### Employer Based Contributions

With **licensed care**, the HCO employs their caregivers and accepts all employer responsibilities. This includes important employee and client protections, such as workers' compensation coverage, unemployment insurance coverage, and employer-paid share of payroll taxes.

With **unlicensed care**, should an incident happen in your home, you and/or your loved one(s) may be liable for out of pocket compensation for claims such as unemployment claims, workers' compensation claims, and possible tax liability. While some unlicensed agencies may offer lower prices for what appear to be similar services, there may be legal implications for you and/or your loved one(s) as you are hiring the individual and are now responsible as the employer.

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### Two important questions to ask to ensure you are selecting a licensed HCO and registered HCA:

What is your Home Care Organization license number?

May I have your PER ID and the name as it appears on your registration so I can search the HCA Registry?

CDSS has two public websites for consumers to ensure HCOs are licensed and HCAs are registered:

- Search for a licensed HCO: <https://secure.dss.ca.gov/CareFacilitySearch/Search/HomeCareOrg>
- Search for a registered HCA: <https://secure.dss.ca.gov/ccld/hcsregistry/registrysearch.aspx>

**Note:** When searching the HCA Registry, the FAQ's section contains a list of the status definitions.