

HIGHLIGHTS

Why this matters for providers:

- reducing labor costs
- enhancing flexibility
- ensuring sustainability

A new bill introduced in the U.S. House of Representatives could reverse a significant change to labor laws that has affected home care agencies for nearly a decade. The proposed legislation, [H.R. 2304](#), aims to reinstate the exemption for overtime and minimum wage protections for live-in caregivers and workers providing companionship services, including those employed by third-party agencies.

Rep. Mary Miller (R-IL) introduced the bill, titled the “*Ensuring Access to Affordable and Quality Home Care for Seniors and People with Disabilities Act*,” on March 24, 2025. This legislation seeks to address issues created by the [2013 Department of Labor \(DOL\) rule change](#), which limited the applicability of the companionship exemption for home care workers.

Background: A Long-Standing Issue for Home Care Providers

In 2013, the Department of Labor issued a final rule that narrowed the *companionship services exemption* under the Fair Labor Standards Act (FLSA), which had historically allowed certain home care workers to be exempt from minimum wage and overtime pay. This rule, which was implemented in 2015, significantly narrowed the nature of work that would be exempt from minimum wage and overtime requirements under the “companionship services” exemption. The rule also removed the ability of third-party employers, including home care agencies, to claim this exemption for employees providing non-medical home care aide services and live-in domestic services workers, leading to significant operational challenges for providers. The rule triggered limits on the number of hours worked by home care aides to avoid overtime compensation. Payers such as state Medicaid programs generally refused to cover overtime costs. The rule also brought about the near-elimination of third-party employed live-in services. These changes led to care access problems for patients while forcing caregivers to take on multiple employments to secure the working hours they desired.

Now, H.R. 2304 seeks to undo this restriction and restore the flexibility that many providers relied upon to deliver high-quality care at affordable prices. Specifically, the bill would:

- **Reinstate the companionship services exemption**, even for workers employed by third-party agencies, allowing these caregivers to be exempt from minimum wage and overtime pay requirements.
- **Restore the live-in domestic service exemption from overtime pay**, regardless of whether the caregiver is employed directly by the household or through an agency.
- **Clarify the scope of companionship services**, emphasizing non-medical personal care and household tasks, so long as they do not exceed 20% of total weekly hours.
- **Exclude medical services** requiring trained personnel, such as registered nurses, from these exemptions.

Why This Matters for Home Care and Hospice Providers

The 2013 DOL rule has presented ongoing challenges for home care agencies, many of which face difficulty absorbing the costs of overtime wages and adjusting scheduling practices. H.R. 2304 would provide much-needed relief to providers by:

- **Reducing labor costs** for live-in and long-hour caregivers, helping home care agencies maintain affordable pricing for clients.
- **Enhancing flexibility** in scheduling, particularly for those providing 24/7 care, as agencies would no longer be subject to overtime pay for live-in workers.
- **Ensuring the sustainability** of the home care industry as it faces increased demand for services from an aging population.

As home care agencies and hospice providers navigate staffing shortages and rising operational costs, H.R. 2304 offers an important opportunity to restore more predictable and cost-effective care models.

The Alliance's Position: Support for Overturning the 2013 Rule

Prior to the merger that formed the Alliance, NAHC long opposed the 2013 DOL rule change on behalf of our members. NAHC prosecuted lawsuits on the matter three times to the U.S. Supreme Court while also advocating for a legislative and regulatory return to the longstanding application of the exemptions. The Alliance continues to advocate for the preservation of flexibility within the home care workforce. We believe that overturning the rule will benefit both workers and consumers by ensuring continued access to affordable home care services without compromising the quality of care provided.

Potential Challenges and Considerations

While H.R. 2304 offers significant potential benefits, it is important to recognize that the bill is still in the early stages of the legislative process. Some states, such as California and New York, have additional state-level labor protections that may still apply, regardless of any federal changes. Providers in these states will need to assess how local regulations interact with federal law and prepare for any state-specific requirements.

In addition, while the bill may be welcomed by home care agencies, labor groups and worker advocates may push back against the rollback of worker protections. It will be crucial for home care providers to remain engaged with policymakers as this legislation moves through Congress.

What's Next?

H.R. 2304 has been referred to the House Committee on Education and Workforce, where it will be reviewed and debated. If passed, the bill could significantly alter the way home care providers structure compensation for live-in and companionship workers, creating more opportunities for cost-effective care.

We encourage our members to stay informed and prepared for potential changes. We will continue to monitor the progress of this legislation and provide updates as it moves forward. In the meantime, we recommend reviewing your compensation practices and considering how a change in federal law could impact your agency's operations.

Stay Engaged. Advocate for Your Workforce.

As always, we urge you to engage in advocacy efforts and stay in touch with your local representatives to ensure that the voices of home care, home health, and hospice providers are heard. We will continue to keep you updated on the progress of H.R. 2304 and other key legislative developments.

[HERE](#) you can read comments filed with the Occupational Health and Safety Administration (OSHA) by the National Association for Home Care & Hospice (NAHC), one of the two legacy organizations that formed this Alliance.