



Written Testimony: *Hand & Stone -- Massage and Facial Spa*
PA House of Representatives
Health and Labor & Industry Committees
October 1, 2020

Honorable Committee Chairs and Committee Members:

First, please accept my sincere thanks for providing this platform to discuss the immense challenges currently impacting Pennsylvania businesses as result of COVID-19. While we all must do our part to mitigate this virus, we cannot lose sight of the devastating effects it is having on job creators and the many families who depend upon them.

I submit this testimony today as the CEO of *Hand & Stone -- Massage and Facial Spa*, but more importantly on behalf of the more than 1,200 team members at our 40-plus franchised locations across the state. These individuals -- both the franchise owners and those for whom they provide jobs -- need Pennsylvania's elected leaders and key officials to hear their voices and help identify ways to address their very serious concerns.

Hand & Stone is a proud, Pennsylvania-based corporation. Prior to COVID-19, our franchise spas helped generate an estimated \$47 million annually in local economic impact here in the Commonwealth by providing hundreds of thousands of services to our valued clients. The individuals who drive our franchise system epitomize the entrepreneurial spirit that we want in our state. They are small businesses owners and take immense pride in being part of our state's economic engine.

It was with this spirit and commitment that these same individuals took to employing a set of rigid, safe, medically supported guidelines in response to COVID-19. These guidelines have been tailored to meet the needs of each state in which *Hand & Stone* franchises are located. Due to these extensive protections, our spas have been able to return to full operations in many states. Pennsylvania, however, is unfortunately the exception to this rule.

Here in *Hand & Stone's* home state, only massages are permitted. Full-access facial services remain prohibited despite being allowed in every other state in the Northeast. In fact, with a recent agreement with the State of Washington's health department, Pennsylvania is now only one of two states in the nation where *Hand & Stone* has a presence that exclusively bans full-access facials. These restrictions negatively impact more than 30 percent of the average sales of a *Hand & Stone* location in Pennsylvania.

What is the human impact of this ban? To date, more than 200 Pennsylvania licensed *Hand & Stone* estheticians -- and the thousands of estheticians employed at other small businesses -- remain



unemployed and unable to work. Sadly, many of these hard-working individuals are single mothers and the sole providers for their families. In Pennsylvania, estheticians must be licensed by the state and attend accredited institutions. Our team members have invested in their careers and many have spent thousands on educational loans. They have done all the right things, yet they now remain unable to pay their bills or care for their children. Some are now forced to depend on public assistance because they can't work. Their stories are heart-wrenching, but what is most frustrating is that it does not need to be this way.

From the initial implementation of the COVID-19 business restrictions, data has remained the driving factor for each of the Wolf Administration's decisions. We have considered the many public comments of the governor and Department of Health Secretary Dr. Rachel Levine reiterating this point, and we have used these as the basis upon which to develop our own data-collection plans. This was done with one fundamental thought in mind: if *Hand & Stone* can prove its COVID-19 safety guidelines are working, then Pennsylvania and states like it will permit us to continue full operations. Sadly, here in the Keystone State, this has not been the case.

For nearly two months, we have been working diligently to provide the Department of Health with all the information needed to prompt a decision that would allow our estheticians to return to work. On September 11, 2020, we presented the following in a letter to Secretary Levine to outline our efforts:

"Over the last several months, we have documented any instance in which a Hand & Stone client or team member reported contracting COVID-19. At our locations nationwide, between the months of May and August -- across 34 states in the US -- our spas performed more than a million services (including over 174,000 facials) and only 3 cases of COVID-19 were reported by customers who visited -- a value of 0.00003 percent of those serviced. No customer cited Hand & Stone as the transmission point.

Of our more than 14,000 franchisee employees nationwide, only 44 have reported positive cases since reopening -- again none attributing transmission to the Hand & Stone location. We have developed stringent protocols for dealing with instances of employees testing positive which exceed CDC requirements for quarantining and return-to-work.

Further, since allowing facial services to proceed under strict COVID-19 guidelines in neighboring states like New Jersey, New York, Ohio and Delaware, Hand & Stone has performed thousands of facials in those jurisdictions and none have shown a single exposure to COVID-19. Our safety measures have ensured that transmission during such services is nearly impossible, and we have the data to support this claim."

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If data is the driving factor for approving reopening procedures, then we believe the information presented validates our claim that facial services can continue in a safe manner. While we remain in contact with the Department and appreciate their consideration, our estheticians remain unemployed and the franchises continue to see significant losses in revenue. In turn, we are now looking at any option that could -- at least mildly -- help combat these effects. I assure you that this is incredibly challenging.

There is certainly a growing level of concern and frustration within the *Hand & Stone* system, but it should not be perceived as a failure to acknowledge the severity of this virus. In fact, we take the precautions employed in our spas very seriously and remain willing to work with the state to enhance them if that is what is necessary to help get our employees back to work.

To that end, we have had successful, direct dialogues with offices of the governor and health departments in New York, New Jersey, Washington, Virginia and Illinois. Each of these has resulted in consensus between the business community and the respective authorities on how to safely conduct services. Respectfully, we need this same dialogue to occur here in Pennsylvania.

Hand & Stone is very appreciative of the communication our team has had with the legislature, including several members of the House Health and Labor Committees. Your willingness to hear our concerns and discuss them as part of this hearing cannot be valued enough. But today, we urge you to engage further on this matter to ensure the challenges conveyed in this testimony are addressed.

We believe with unwavering confidence the data we have compiled proves Pennsylvania can join other states and once again allow for the safe continuation of facial services at our spas. Further, we are also hearing experienced medical professionals validate this assertion. Just this week, John Hopkins infectious disease doctor Dr. Amesh Adalja stated in an interview with WPXI-11 (Pittsburgh), "*I do think this is a service that can be done relatively safely.*" We obviously agree. And frankly, if neighboring states like New York, New Jersey, Delaware and Maryland can move forward, there should be no reason Pennsylvania cannot do the same.

Hand & Stone wants to remain a partner in this process and be a resource. Should any member of the committee wish to work with us in this effort, we would welcome the opportunity.

Thank you for your time and consideration.

A handwritten signature in black ink that reads "Todd Leff".

Todd Leff

CEO

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