AN ACT

To enact Part II-E of Chapter 11 of Title 40 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 40:2120.11 through 2120.24, relative to the licensure and regulation of nurse staffing agencies by the Louisiana Department of Health; to provide for definitions; to provide for the licensure and registration of nurse staffing agencies; to provide for the protection of public rights to health care; to provide for licensed and certified personnel in healthcare facilities; to provide for applicability provisions for prospective agencies; to provide for regulations and grounds for issuance, renewal, and denial of a license; to establish standards for the operation of nurse staffing agencies; to provide for penalty provisions; to provide for rulemaking requirements; to provide for fees; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Part II-E of Chapter 11 of Title 40 of the Louisiana Revised Statutes of 1950, comprised of R.S. 40:2120.11 through 2120.24, is hereby enacted to read as follows:

PART II-E. LICENSING OF NURSE STAFFING AGENCIES

§2120.11. Short title

This Part shall be known and may be cited as the "Nurse Staffing Agency Licensing Law".
§2120.12. Purpose
The purpose of this Part is to authorize the Louisiana Department of Health
to promulgate and publish rules and regulations to provide for the licensure of nurse
staffing agencies.

§2120.13. Definitions
As used in this Part, the following terms have the meanings ascribed to them
in this Section:

(1) "Certified nurse aide" means an individual who has completed a Nurse
Aide Training and Competency Evaluation Program approved by the state as
meeting the requirements of 42 CFR 483.151 and 483.154 or has been determined
competent as provided in 42 CFR 483.150(a) and (b) and is listed as certified and in
good standing on the state's Certified Nurse Aide Registry.

(2) "Department" means the Louisiana Department of Health or any office
or agency thereof designated by the secretary of the department to administer the
provisions of this Part.

(3) "Healthcare facility" means any person, partnership, corporation,
unincorporated association, or other legal entity licensed pursuant to R.S. 40:2006
(A)(2) and currently operating or planning to operate within the state.

(4) "Licensee" means any nursing agency properly licensed in accordance
with this Part.

(5) "Nurse" means a registered nurse as defined in R.S. 37:913 or a licensed
practical nurse as defined in R.S. 37:961.

(6) "Nurse staffing agency" means any individual, firm, corporation,
partnership, or other legal entity that employs, assigns, or refers nurses or certified
nurse aides to render healthcare services in a healthcare facility for a fee.

(7) "Secretary" means the secretary of the Louisiana Department of Health
or his designee.

CODING: Words in struck through type are deletions from existing law; words underscored
are additions.
§2120.14. Licensure required

The department shall license nurse staffing agencies in accordance with this Part. No person, partnership, corporation, unincorporated association, or other legal entity may establish, operate, maintain, or advertise as a nurse staffing agency in this state unless the person, partnership, corporation, unincorporated association, or other legal entity is licensed by the department in accordance with this Part.

§2120.15. Application for licensure; fees

A. An application to operate a nurse staffing agency shall be made to the department on forms provided by the department. A separate license shall be obtained for each location from which a nurse staffing agency is operated unless the nurse staffing agency is owned and managed by the same entity, person, or persons.

B. The application shall contain all of the following information:

1. The name and address of the person, partnership, corporation, or other entity that is the applicant.

2. If the applicant is a corporation, a copy of its articles of incorporation, a copy of its current bylaws, and the names and addresses of its officers, directors, and shareholders owning more than five percent of the corporation's stock.

3. The names and addresses of the person or persons under whose management or supervision the nurse staffing agency will be operated.


5. A statement detailing the experience and qualifications of the applicant to operate a nurse staffing agency.

6. Evidence of compliance with state or federal law relating to workers' compensation with a minimum coverage in the amount of one million dollars.

7. Evidence of professional liability insurance in an amount sufficient to provide coverage in accordance with the total amount recoverable for all malpractice claims as indicated in R.S. 40:1231.2.
(8) Any other relevant information the department determines is necessary to properly evaluate the applicant and application as required by the department by rule.

C. Any person, partnership, corporation, unincorporated association, or other legal entity currently operating or planning to operate a nurse staffing agency shall be assessed a nonrefundable fee of six hundred dollars, payable to the department, at the time an initial licensing application is made to the department and shall be assessed a nonrefundable fee of six hundred dollars biennially thereafter for renewal of the license. Any person, partnership, corporation, unincorporated association, or other legal entity shall be assessed a delinquent fee of one hundred dollars for failure to timely renew its license; the delinquent fee shall be assessed and shall become due and payable to the department at 12:01 a.m. on the first day following the expiration date of the license. These licensing fees are for the initial application and renewal of a license only and are in addition to any other fees that may be assessed according to the laws, rules, regulations, and standards that are applicable to a nurse staffing agency.

§2120.16. Issuance of a license

Upon receipt and after review of an application for a license in accordance with this Part, the secretary shall issue a license if it is determined that the applicant is qualified to operate a nurse staffing agency based upon demonstrated compliance with this Part. A license issued by the department in accordance with this Section shall remain effective for a period of two years unless the license is revoked or suspended pursuant to this Part. When a nurse staffing agency is sold or ownership is transferred, the transferee shall notify the department and apply for a new license at least forty-five days prior to the transfer. The transferor shall remain responsible for the operation of the agency until such time as a license is issued to the transferee.

§2120.17. Renewal of a license

At least thirty days prior to license expiration, the licensee shall submit an application which meets the requirements of this Part for renewal of the license. If
the application is approved, the license shall be renewed for an additional two-year
period.

§2120.18. Grounds for denial of a license

An application for a license may be denied for any of the following reasons:

(1) Failure to comply with the minimum standards set forth by this Part as
well as any licensing regulations promulgated by the department.

(2) Conviction of the applicant of a felony.

(3) Insufficient financial or other resources to operate the nurse staffing
agency in accordance with the requirements of this Part and the minimum standards,
rules, and regulations promulgated in this Part.

(4) Failure to establish appropriate personnel policies and procedures for
selecting nurses and certified nurse aides for employment, assignment, or referral.

(5) Failure to perform criminal history checks as required by R.S. 40:1203.1.

(6) Failure to report hours worked by certified nurse aides to the Certified
Nurse Aide Registry.

§2120.19. Suspension, revocation, or refusal to issue or renew a license

The department may, after appropriate notice and hearing, suspend, revoke,
or refuse to issue or renew any license if the licensee or applicant fails to comply
with this Part or the rules and regulations promulgated by the department in
accordance with this Part.

§2120.20. Minimum standards; prohibited actions

A. The department, by rule, shall establish minimum standards for the
operation of nurse agencies. Those standards shall include but are not limited to the
following:

(1) The maintenance of written policies and procedures.

(2) The development of personnel policies, which include a personal
interview, a reference check, and an annual evaluation of each employee or
contracted staff.
(3) Licensure application and renewal application procedures and
requirements.
(4) Survey and complaint investigations.
(5) Denial, revocation, suspension and nonrenewal of licenses, and appeals.
(6) Such other standards or regulations that will ensure proper care and
treatment of patients, clients, and persons receiving services.

B. Each nurse staffing agency shall have a nurse serving as a manager or
supervisor of all nurses and certified nurse aides.

C. Each nurse staffing agency shall ensure that its employees or contracted
staff meet the minimum licensing, training, and orientation standards for which those
employees or contracted staff are licensed or certified.

D. A nurse staffing agency shall not employ, assign, or refer for use in a
healthcare facility in this state, a nurse or certified nurse aide unless certified or
licensed in accordance with the applicable provisions of state and federal laws or
regulations. Each certified nurse aide shall comply with all pertinent regulations of
the department relating to the health and other qualifications of personnel employed
in healthcare facilities.

E. The department may adopt rules to monitor the usage of nurse staffing
agency services to determine their impact.

F. (1) Nurse staffing agencies are prohibited from requiring, as a condition
of employment, assignment, or referral, that their employees or contracted staff
recruit new employees for the nurse staffing agency from among the permanent
employees of the healthcare facility to which the nurse agency employees or
contracted staff have been assigned or referred.

(2) The healthcare facility is prohibited from requiring, as a condition of
employment, its employees to recruit nurse staffing agency employees or contracted
staff to become permanent employees at the healthcare facility.

G. Nurse staffing agencies are prohibited from offering or providing
financial incentives to their employees or contracted staff for the purpose of inducing
permanent employees of healthcare facilities to which they are assigned to become
employed or enter into a contract with the nurse staffing agency.

H. Nurse staffing agencies may not contractually obligate any nurse staffing
agency employee or contracted staff nor any provider to any terms restricting the
nurse staffing agency's employee or contracted staff to accept nor any provider's
ability to hire which in any way restricts the nurse staffing agency employee or
contracted staff from accepting employment within his trade with any provider
within the state.

§2120.21. Investigations; inspections; orders; civil penalties

A. The department may at any time, upon receiving a complaint from any
interested person regarding allegations that a nurse staffing agency is operating
without a valid license issued by the department, investigate any entity, person, or
persons.

B. The department may examine the premises of any nurse staffing agency
and may examine and inspect books, payrolls, records, papers, documents, and other
evidence in any survey or investigation. The nurse staffing agency shall cooperate
in any survey or investigation conducted by the department. Failure to cooperate or
produce any documentation for inspection or survey may result in action up to and
including license revocation.

C. The department shall assess a nurse staffing agency a survey or
investigation fee not to exceed one thousand dollars for any complaint survey or
investigation conducted by the department at which deficiencies are substantiated.
This survey or inspection fee shall be imposed by the department only after the nurse
staffing agency has completed the administrative process which has upheld the
deficiencies or the time for filing any administrative appeal has expired. The survey
or investigation fee shall not exceed the cost of performing the survey. This fee shall
be in addition to any other sanctions.
§2120.22. Operation without a license; penalty

A. A nurse staffing agency shall not operate without a license issued by the department. Any such agency operating without a license shall be guilty of a misdemeanor and upon conviction shall be fined no less than two hundred fifty dollars nor more than one thousand dollars. Each day of violation shall constitute a separate offense. It shall be the responsibility of the department to inform the appropriate district attorney of the alleged violation to ensure enforcement.

B. If a nurse staffing agency is operating without a license issued by the department, the department may have the authority to issue an immediate cease and desist order to that agency. Any such agency receiving a cease and desist order from the department shall immediately cease operations until such time as that agency is issued a license by the department.

C. The department shall seek an injunction in the Nineteenth Judicial District Court against any agency that receives a cease and desist order from the department in accordance with Subsection B of this Section and that does not cease operations immediately. Any such agency against which an injunction is granted shall be liable to the department for attorney fees, costs, and damages.

§2120.23. Implementation

A. No nurse staffing agency shall be required to obtain a license in accordance with this Part until the initial rules, regulations, and licensing standards are promulgated by the department in accordance with the Administrative Procedure Act.

B. Each agency that meets the definition of nurse staffing agency as defined in this Part shall submit an initial licensing application and fee to the department within ninety days of the promulgation of the initial rules, regulations, and licensing standards. If the agency is not licensed within one hundred eighty days after submission of its initial licensing application and fee, the agency shall cease operations until such time as it is licensed as a nurse staffing agency by the department.
§2120.24. Administrative rulemaking

The department shall adopt all rules and regulations in accordance with the Administrative Procedure Act as necessary for the implementation of the provisions of this Part.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 958 Engrossed 2022 Regular Session Dustin Miller

Abstract: Creates the "Nurse Staffing Agency Licensing Law".

Proposed law authorizes the La. Dept. of Health to promulgate and publish rules and regulations to provide for the licensure and registration of nurse staffing agencies.

Proposed law authorizes the La. Dept. of Health to protect the public's right to high quality health care by assuring that nurse staffing agencies employ, assign, and refer licensed and certified personnel to healthcare facilities.

Proposed law defines "certified nurse aide", "department", "healthcare facility", "licensee", "nurse", "nurse staffing agency", and "secretary".

Proposed law provides requirements for licensure and applicability provisions for prospective agencies.

Proposed law establishes regulations, processes, and grounds for issuance, renewal, and denial of a license.

Proposed law requires the department to establish minimum standards for the operation of nurse staffing agencies.

Proposed law provides that the department may at any time and shall, upon receiving a complaint from any interested person, investigate any entity, person, or persons licensed or applying for a license.

Proposed law gives the department authority to investigate any entity, person, or persons who operate or advertise a nurse staffing agency without being licensed in accordance with proposed law.

Proposed law gives the department authority to examine certain premises when the investigation or survey of a nurse staffing agency is required by proposed law.

Proposed law requires the department to adopt all rules and regulations in accordance with the Administrative Procedure Act as necessary for the implementation of proposed law and includes additional provisions for the implementation of proposed law.

Proposed law establishes fee provisions for any person, partnership, corporation, unincorporated association, or legal entity operating or planning to operate a nurse staffing agency, specifically regarding licensure and renewal.

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
Proposed law adds penalty provisions for the unlicensed operation of a nurse staffing agency.

(Adds R.S. 40:2120.11-2120.24)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Define "certified nurse aide".
2. Establish fee provisions for any person, partnership, corporation, unincorporated association, or legal entity operating or planning to operate a nurse staffing agency, specifically regarding licensure and renewal.
3. Change the duration of effectiveness for licensure from one year to two years.
4. Provide additional information regarding the department's authority and abilities when conducting a survey or investigation regarding allegations made against a nurse staffing agency.
5. Expand minimum standards for the operation of a nurse staffing agency.
6. Add penalty provisions for the unlicensed operation of a nurse staffing agency.
7. Add provisions for the implementation of the proposed law.
8. Change application for renewal requirements from ninety days to thirty days.
9. Delete the provision relating to the secretary's authority to examine certain premises when an investigation or survey is required by the proposed law and give such authority to the department.