



[HF 2391](#) – Health Care Employment Agencies, Nursing Services Charges (LSB5265HV)
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Fiscal Note Version – New

Description

[House File 2391](#) makes the following changes to health care employment agencies as described in Iowa Code chapter [135Q](#):

- Prohibits a health care employment agency from contracting with a health care entity if the health care employment agency has not registered with the Department of Inspections, Appeals, and Licensing (DIAL).
- Requires the Department of Health and Human Services (HHS) to annually establish and publish a maximum allowable charges schedule for nursing services provided by health care employment agency workers. The amounts established in the charges schedule must be no greater than 150.0% of the statewide average wage paid in the most recently preceding cost report year by a specific type of health care entity.
- Modifies the current civil penalty structure and adds new civil penalties for health care employment agencies that fail to comply with the Iowa Code.
- Requires the DIAL to submit an annual report to the General Assembly that includes information on health care employment agency registrations, registration fees collected, violations of Iowa Code chapter 135Q, monetary penalties collected, registration revocations and denials, the statewide maximum allowable charges schedule, and recommendations for changes to the Iowa Code chapter.

Background

Currently, there is no maximum allowable charges schedule for nursing services provided by health care employment agency workers.

The DIAL receives quarterly reports from health care employment agencies that include the average amount charged to the health care entity for each individual agency worker category and the average amount paid by the agency to workers in each individual agency worker category. The DIAL is responsible for reviewing agency reports and investigating agencies that are noncompliant.

Assumptions

- House File 2391 may require an additional Executive Officer, a Management Analyst, and a Statistical Research Analyst for a total of 3.0 new full-time equivalent (FTE) positions for the HHS.
- According to the Department of Management (DOM), the starting costs for an Executive Officer 3 is approximately \$98,000, for a Management Analyst 3 is approximately \$79,000, and for a Statistical Research Analyst 3 is approximately \$77,000.
- The HHS anticipates one-time support costs (phone, equipment, etc.) of approximately \$10,000 in FY 2025 and approximately \$3,000 in FY 2026 for the 3.0 FTE positions.
- Federal funds will cover half of the costs for FTEs needed by the HHS, while the State will cover the remainder.
- The Bill may require 1.0 new Administrative Assistant FTE position for the DIAL.

- According to the DOM, the starting costs for an Administrative Assistant 2 is approximately \$65,000. The DIAL anticipates one-time support costs of approximately \$2,000 for a new FTE position in FY 2025.
- Revenues could potentially increase for the DIAL if a health care employment agency is noncompliant, but the amount of the increase cannot be estimated.

Fiscal Impact

House File 2391 is estimated to cost the State \$200,000 in FY 2025 and \$195,000 in FY 2026 as shown in **Figure 1**. Federal funds are estimated to cover half of the costs for FTEs needed by the HHS.

Figure 1 — Costs Per Year Under HF 2391

Estimated Costs	FY 2025		FY 2026	
	Total	State	Total	State
1.0 Administrative Assistant 2 FTE Position for DIAL	\$ 67,000	\$ 67,000	\$ 65,000	\$ 65,000
1.0 Executive Officer 3 FTE Position for HHS	98,000	49,000	98,000	49,000
1.0 Management Analyst 3 FTE Position for HHS	79,000	40,000	79,000	40,000
1.0 Statistical Research Analyst 3 Position for HHS	77,000	39,000	77,000	39,000
Support Costs for HHS FTE Positions	10,000	5,000	3,000	2,000
Total Costs	\$ 331,000	\$ 200,000	\$ 322,000	\$ 195,000

Sources

Department of Health and Human Services
 Department of Inspections, Appeals, and Licensing
 Department of Management

/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
