

**INSPECTIONS AND APPEALS DEPARTMENT[481]**

**Adopted and Filed**

**Rulemaking related to health care employment agencies and health care technology platforms**

The Department of Inspections, Appeals, and Licensing hereby amends Chapter 55, “Health Care Employment Agencies,” Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in Iowa Code section 10A.104.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code chapter 135Q as amended by 2023 Iowa Acts, chapter 131 (House File 357), and 2024 Iowa Acts, chapter 1157 (House File 2698), sections 63 through 67; 2023 Iowa Acts, chapter 16 (Senate File 75); and Executive Order 10.

*Purpose and Summary*

This rulemaking amends Chapter 55 and implements Iowa Code chapter 135Q as amended by 2023 Iowa Acts, House File 357, and 2024 Iowa Acts, House File 2698, sections 63 through 67, in accordance with the goals and directives of Executive Order 10. This rulemaking removes the definition of “direct services” and amends the definition of “health care employment agency” in accordance with 2023 Iowa Acts, House File 357. Additionally, the rulemaking adds provisions regarding health care technology platforms to Chapter 55 in accordance with 2024 Iowa Acts, House File 2698, sections 63 through 67. The rulemaking also revises references to ambulatory surgical centers in the definition of “health care entity” to account for new state licensing standards established by 2023 Iowa Acts, Senate File 75. Finally, this rulemaking updates the Department’s contact information and references now-codified legislation.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on April 17, 2024, as **ARC 7784C**. An Amended Notice of Intended Action was published in the Iowa Administrative Bulletin on September 18, 2024, as **ARC 8214C**.

The Department received written comments from LeadingAge Iowa (LAI), which is, as described by LAI, “a statewide association representing not-for-profit long term care and aging services providers.” LAI’s comments focused on health care employment agencies (HCEAs), alleging “predatory practices” and “excessive price gouging” by the HCEA industry and encouraging Iowa to continue monitoring and regulating HCEAs. As for the proposed rulemaking, LAI stated it was supportive of the rules and did not suggest any changes. No changes were made from the proposed rules in light of LAI’s comments.

The Department also received written comments from and had multiple remote meetings with representatives of ShiftKey, LLC (ShiftKey), a health care technology platform (HCTP). ShiftKey’s various comments were generally focused on maintaining the distinction between HCEAs and their agency workers on one hand and HCTPs and the independent nursing services professionals who utilize HCTPs on the other hand.

No additional comments were received in response to the proposed rulemaking.

Minor changes from the published Amended Notice have been made in response to ShiftKey’s comments. For example, in subrule 55.3(1), changes were made to mirror the distinction (found in Iowa Code chapter 135Q) of HCEAs “ensuring” and HCTPs “verifying” qualifications (more information in Iowa Code sections 135Q.2(2)“a” and 135Q.3(2)). Additionally, references to deactivation of accounts were added to paragraph 55.3(2)“c” because HCTPs do not “terminate” independent nursing services professionals but instead deactivate their accounts.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on January 31, 2025.

*Fiscal Impact*

After analysis and review of this rulemaking, the Department does not anticipate expenditures requiring a fiscal impact statement. Expenditures by affected persons associated with registration requirements, including additional costs to the Department to implement this rulemaking, are not anticipated to exceed the amounts set forth in Iowa Code section 17A.4(4).

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 481—Chapter 6.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rulemaking will become effective on April 23, 2025.

The following rulemaking action is adopted:

ITEM 1. Amend **481—Chapter 55**, title, as follows:

**HEALTH CARE EMPLOYMENT AGENCIES  
AND HEALTH CARE TECHNOLOGY PLATFORMS**

ITEM 2. Amend rule 481—55.1(89GA, HF2521) as follows:

**481—55.1(89GA, HF2521 135Q) Definitions.** The definitions set forth in Iowa Code section 135Q.1 as enacted by 2022 Iowa Acts, House File 2521, are incorporated herein by reference. As used in this chapter, unless the context otherwise requires, the following terms also apply:

~~“Direct services” includes services performed by registered nurses, licensed practical nurses, certified nurse aides, certified medication aides, and medication managers. “Direct services” does not include the practice of medicine and surgery or osteopathic medicine and surgery by an individual licensed under Iowa Code chapter 148 or 148C or the practice of nursing by an advanced registered nurse practitioner or an advanced practice registered nurse licensed under Iowa Code chapter 152 or 152E. For purposes of this chapter, janitorial, housekeeping, laundry, and meal preparation services are not considered direct services.~~

~~“Health care employment agency” does not include a recruitment firm that contracts with a health care entity to identify and screen potential candidates for hire and does not provide agency workers for temporary, or temporary-to-hire, direct hire, or other contract or employee placements in this state. “Health care employment agency” does not include a group of physical therapists licensed under Iowa Code chapter 148A, occupational therapists licensed under Iowa Code chapter 148B, or speech pathologists or audiologists licensed under Iowa Code chapter 154F providing services to a health care entity.~~

“Health care entity” includes, but is not limited to, any entities licensed or certified pursuant to Iowa Code ~~chapters~~ chapter 135B (hospitals), 135C (health care facilities), 135G (subacute mental health care facilities), 135H (psychiatric medical institutions for children), 135J (licensed hospice programs), 231C (assisted living programs), and 231D (adult day services), ~~or any ambulatory surgical center, 135R (ambulatory surgical centers) or any home health agency, hospice, end-stage renal disease center, rural health clinic, or federally qualified health care center certified by the Centers for Medicare and Medicaid Services.~~

ITEM 3. Amend rule 481—55.2(89GA, HF2521) as follows:

**481—55.2(89GA, HF2521 135Q) Health care employment agency registration Registration.**

**55.2(1)** A health care employment agency or health care technology platform operating in the state shall ~~file a statement of registration and pay a registration fee in accordance with Iowa Code section 135Q.2(1) as enacted by 2022 Iowa Acts, House File 2521~~ register annually with the department and pay an annual registration fee of \$500. A health care employment agency with multiple locations may complete one registration containing the information required in subrule 55.2(3) for each location all locations and may remit one payment for the total registration fee required. A health care employment agency or health care technology platform shall register with the department 30 days prior to operation. A health care technology platform in operation prior to April 23, 2025, shall register with the department within 30 days of April 23, 2025.

~~a.—A health care employment agency in operation prior to July 1, 2022, shall register with the department no later than January 4, 2023.~~

~~b.—A health care employment agency in operation on or after July 1, 2022, shall register with the department 30 days prior to operation.~~

**55.2(2)** The statement of registration may be submitted electronically via an Internet-based system provided by the department for such purpose; by mail to the Department of Inspections, ~~and Appeals, and Licensing, Health Facilities and Safety Division, Lucas State Office Building, Third Floor, 321 E. 12th Street 6200 Park Avenue, Suite 100, Des Moines, Iowa 50319-0083 50321;~~ or by fax to ~~(515)242-5022 515.242.5022.~~

**55.2(3)** No change.

**55.2(4)** The health care employment agency or health care technology platform shall notify the department of any changes to the information on the annual statement of registration within 30 days of the date the change occurs, including cessation of operation. ~~Changes shall be submitted in the manner described in subrule 55.2(2).~~

~~**55.2(5)** The department shall issue each location a separate certification of registration upon approval of registration and payment of the fee.~~

ITEM 4. Amend rule 481—55.3(89GA, HF2521) as follows:

**481—55.3(89GA, HF2521 135Q) General requirements.** A health care employment agency or health care technology platform shall adhere to all requirements under Iowa Code section 135Q.2(2) ~~as enacted by 2022 Iowa Acts, House File 2521, or 135Q.3(2), as applicable, and do all of the following:~~

**55.3(1) Verification of employment standards.** A health care employment agency shall ensure that its agency workers comply with all applicable state and federal requirements ~~under and qualifications for personnel in health care entity settings pursuant to Iowa Code sections section 135Q.2(2) “a” through “e” as enacted by 2022 Iowa Acts, House File 2521, including but not limited to the following: “c.”~~ A health care technology platform shall verify that independent nursing services professionals supply documentation demonstrating compliance with all applicable state and federal requirements and qualifications for personnel in health care entity settings pursuant to Iowa Code section 135Q.3(2) “a” through “c.” These include but are not limited to a health care employment agency ensuring or a health care technology platform verifying the following:

~~a. The health care employment agency shall ensure completion~~ Completion of all requirements regarding criminal, dependent adult abuse, and child abuse record checks that would otherwise be the

responsibility of the health care entity if the health care entity employed the agency worker or contracted with the independent nursing services professional directly;

b. ~~The health care employment agency shall ensure completion~~ Completion of the physical examination and screening and testing for tuberculosis procedures that would otherwise be the responsibility of the health care entity if the health care entity employed the agency worker or contracted with the independent nursing services professional directly; and

c. ~~The health care employment agency shall ensure that~~ That an agency worker or independent nursing services professional has completed all education, training, and continuing education requirements for the agency worker's or independent nursing services professional's occupation and that the agency worker or independent nursing services professional is in good standing with any minimum licensing or certification standards to appropriately engage in the ~~workers'~~ worker's or professional's profession.

**55.3(2) Allegations of dependent adult abuse.**

a. ~~If a health care employment agency receives~~ an allegation of dependent adult abuse is received by a health care employment agency against an agency worker or is received by a health care technology platform against an independent nursing services professional, the health care employment agency or health care technology platform shall immediately notify the facility in which the alleged abuse occurred so that the facility may immediately separate the victim and alleged dependent adult abuser. The health care employment agency or health care technology platform shall also notify the department within 24 hours or the next business day. If the health care employment agency or health care technology platform has reason to believe that immediate protection for the dependent adult is advisable, ~~the health care employment agency~~ it should also make an oral report to an appropriate law enforcement agency. After receiving notice of an allegation of dependent adult abuse against an agency worker or independent nursing services professional and before the department's dependent adult abuse investigation is completed and the abuse determination is made, the health care employment agency or health care technology platform shall disclose such investigation to any prospective health care entity with which the agency worker will be placed or the independent nursing services professional will provide services.

b. In addition to any other requirement under state or federal law with respect to the receipt of an allegation of dependent adult abuse, if a health care entity receives an allegation of dependent adult abuse against an agency worker or independent nursing services professional, the health care ~~employment agency~~ entity shall immediately notify the health care employment agency or health care technology platform of the allegation. This does not ~~except~~ exempt the health care entity from any of its duties with respect to alleged dependent adult abuse under state or federal law.

c. If the health care employment agency or health care technology platform terminates the alleged dependent adult abuser or deactivates the alleged abuser's account as a result of the investigation or the alleged dependent adult abuser resigns, the alleged dependent adult abuser shall disclose such termination, deactivation, or investigation to any prospective facility or program employer.

ITEM 5. Amend rule 481—55.4(89GA, HF2521) as follows:

**481—55.4(89GA, HF2521 135Q) Prohibitions.**

**55.4(1)** A health care employment agency or health care technology platform shall not restrict the employment opportunities of an agency worker or independent nursing services professional in accordance with Iowa Code section 135Q.2(3) ~~as enacted by 2022 Iowa Acts, House File 2521 or 135Q.3(3), as applicable.~~

**55.4(2)** Subrule 55.4(1) ~~shall~~ does not apply to a contract ~~between a health care employment agency and a health care entity or a health care employment agency worker~~ that meets all of the following criteria: set forth in Iowa Code section 135Q.2(3) "b."

a. ~~The contract is for the purpose of placing an agency worker~~ the health care employment agency assisted in obtaining authorization to work in the United States;

b. ~~The contract contains an initial contract term of no less than 24 months and has a total duration, including any renewals or extensions, of no longer than 36 months; and~~

e.—The contract requires the agency worker to work at a single health care entity for the duration of the contract.

ITEM 6. Amend rule 481—55.5(89GA, HF2521) as follows:

**481—55.5(89GA, HF2521 135Q) Record retention and reporting.**

**55.5(1)** *Document retention.* A health care employment agency or health care technology platform shall maintain documentation in its files regarding each agency worker’s or independent nursing services professional’s compliance, as applicable, with the minimum licensing, certification, training, health requirements, and continuing education standards as described in subrule 55.3(1). A health care employment agency or health care technology platform shall provide copies of this documentation to the department or a health care entity for a contracted agency worker or independent nursing services professional upon request.

**55.5(2)** *External reporting.* A health care employment agency shall report, file, or otherwise provide any required documentation pursuant to Iowa Code section 135Q.2(2) “c,” ~~as enacted by 2022 Iowa Acts, House File 2521,~~ including, but not limited to:

a. No change.

b. The health care employment agency shall report allegations of dependent adult abuse as set forth in subrule ~~55.3(3)~~ 55.3(2).

**55.5(3)** *Quarterly reporting to the department.*

a. The quarterly report required by to be submitted by a health care employment agency pursuant to Iowa Code section 135Q.2(4) as enacted by 2022 Iowa Acts, House File 2521, shall provide the following:

(1) to (3) No change.

b. The report data and submission dates shall be as follows:

(1) The quarterly report containing data from January 1 through March 31 ~~shall be submitted is due~~ no later than April 15;

(2) The quarterly report containing data from April 1 through June 30 ~~shall be submitted is due~~ no later than July 15;

(3) The quarterly report containing data from July 1 through September 30 ~~shall be submitted is due~~ no later than October 15; and

(4) The quarterly report containing data from October 1 through December 31 ~~shall be submitted is due~~ no later than January 15.

ITEM 7. Amend rule 481—55.6(89GA, HF2521) as follows:

**481—55.6(89GA, HF2521 135Q) Complaints.**

**55.6(1)** *Complaints.*

a. The process for filing a complaint is as follows:

(1) Any person with a concern regarding the operation of a health care employment agency may file a complaint at the department’s physical location, complaint hotline, or website, as follows:

Physical address:	Department of Inspections, <del>and Appeals, and Licensing</del> Health and Safety Division, Complaint/Incident Unit <del>Lucas State Office Building, Third Floor 6200 Park Avenue, Suite 100</del> 321 E. 12th Street Des Moines, Iowa 50319-0083 <u>50321</u>
Complaint hotline:	<del>1-877-686-0027</del> <u>1.877.686.0027</u>
Website address:	<del>dia.iowa.gov</del> <u>dial.iowa.gov</u>

(2) When the nature of the complaint is outside the department’s authority, the department ~~shall~~ will forward the complaint to the appropriate investigatory entity.

~~(3) If other state agencies receive a complaint that relates to a health care employment agency, the agencies shall forward the complaint to the department.~~

b. The department ~~shall~~ will act on anonymous complaints unless the department determines that the complaint is intended to harass the health care employment agency or health care technology platform or is without a reasonable basis. If the department, upon preliminary investigation, determines that the complaint is intended to harass or is without a reasonable basis, the department may dismiss the complaint.

**55.6(2)** *Content of complaint reports.* The complaint ~~shall~~ should include as much of the following information as possible: the complainant's name, address, and telephone number; the complainant's relationship to the health care employment agency or health care technology platform; and the reason for the complaint. The complainant's name shall be confidential information and ~~shall~~ will not be released by the department.

**55.6(3)** *Time frames for investigation of complaints.* Upon receipt of a complaint made in accordance with this rule, the department ~~shall~~ will make a preliminary investigation of the complaint to determine if probable cause exists to further investigate the complaint. If probable cause exists, an investigation of the health care employment agency ~~shall~~ or health care technology platform will be initiated within 45 working days.

**55.6(4)** *Standard for determining whether a complaint is substantiated.* The department ~~shall~~ will apply a preponderance of the evidence standard in determining whether a complaint is substantiated.

**55.6(5)** *Notification of the health care employment agency or ~~alleged health care employment agency~~ health care technology platform of results of investigation.* The department ~~shall~~ will notify the subject health care employment agency or ~~alleged health care employment agency~~ health care technology platform, in writing, of the final report of the complaint investigation.

**55.6(6)** *Notification of the complainant of results of investigation.* The complainant, if known, ~~shall~~ will be notified of the final findings of a complaint investigation. ~~The complainant, if known, shall also be notified as well as~~ if the department determines not to further investigate after the preliminary investigation ~~and shall receive, including~~ an explanation of the department's decision.

ITEM 8. Amend rule 481—55.7(89GA, HF2521) as follows:

**481—55.7(89GA, HF2521 135Q) Investigations.**

**55.7(1)** *Initiation of investigations.* Investigations may be initiated because of a complaint or other information received by the department or upon referral from other agencies. If the department determines there is probable cause to believe that a health care employment agency or health care technology platform is an unregistered ~~health care employment agency~~ or that a registered health care employment agency or health care technology platform is not in compliance with state, federal, or local statutes or rules, an investigation ~~shall~~ may be initiated.

**55.7(2)** *Evaluation of allegations and referral to other agencies.* If an investigation is initiated, the department ~~shall~~ will evaluate the allegations to determine whether the allegations should also be referred to other local, state, or federal agencies. If the department believes a criminal violation has occurred or is occurring, it ~~shall~~ will notify the appropriate law enforcement entities.

**55.7(3)** *Access to records.* An inspector of the department may enter a health care employment agency without a warrant and may examine and copy all records and items pertaining to the investigation, or may require the health care employment agency or health care technology platform to provide copies of all records and items pertaining to the investigation, unless the record or item is protected by some other legal privilege.

ITEM 9. Amend rule 481—55.8(89GA, HF2521) as follows:

**481—55.8(89GA, HF2521 135Q) Penalties.** A health care employment agency that violates Iowa Code sections 135Q.2(1) through 135Q.2(3) ~~as enacted by 2022 Iowa Acts, House File 2521, or rule 481—55.3(89GA, HF2521)~~ shall be subject to the associated penalties under Iowa Code section 135Q.2(5) ~~as enacted by 2022 Iowa Acts, House File 2521.~~ A health care employment agency or health care technology platform that violates Iowa Code chapter 135Q will be subject to monetary penalties, denial or revocation of registration, and other penalties as described in Iowa Code section 135Q.4.

ITEM 10. Amend rule 481—55.9(89GA, HF2521) as follows:

**481—55.9(89GA, HF2521 135Q) Public and confidential information.**

**55.9(1)** *Public disclosure.* The following records are open and available for inspection:

- a. Registration forms and accompanying materials;
- b. Final findings of the department's investigations;
- c. Official notices of penalties; and
- d. Any records required to be submitted to the department by the health care employment agency pursuant to Iowa Code section 135Q.2(4) ~~as enacted by 2022 Iowa Acts, House File 2521,~~ and subrule 55.5(3) (quarterly reporting to the department).

**55.9(2)** No change.

~~**55.9(3)** *Redaction of confidential information.* If a record normally open for inspection contains confidential information, the confidential information shall be redacted prior to an agency's providing the record for inspection.~~

ITEM 11. Amend **481—Chapter 55**, implementation sentence, as follows:

These rules are intended to implement ~~2022 Iowa Acts, House File 2521~~ Iowa Code chapter 135Q.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 3/19/25.