

135Q.2 Health care employment agency requirements — registration — liability.

1. *a.* A health care employment agency operating in the state shall register annually with the department. Each separate location of a health care employment agency shall register annually with and pay an annual registration fee of five hundred dollars to the department. The department shall issue each location a separate certification of registration upon approval of registration and payment of the fee. The annual registration fees shall be retained by the department as appropriated receipts as defined in [section 8.2](#).

b. A health care employment agency that fails to register with the department as required under [this subsection](#) shall be prohibited from contracting with any health care entity in this state.

2. A health care employment agency shall do all of the following:

a. Ensure that agency workers comply with all applicable requirements relating to the health requirements and qualifications of personnel in health care entity settings.

b. Document that each agency worker meets the minimum licensing, certification, training, and health requirements and the continuing education standards for the agency worker's position in the health care entity setting.

c. Maintain records for each agency worker and report, file, or otherwise provide any required documentation to external parties or regulators which would otherwise be the responsibility of the health care entity if the agency worker was directly employed by the health care entity.

d. Maintain professional and general liability insurance coverage with minimum per occurrence coverage of one million dollars and aggregate coverage of three million dollars to insure against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in the provision of services by the agency or an agency worker.

3. *a.* A health care employment agency shall not do any of the following:

(1) Restrict in any manner the employment opportunities of an agency worker by including a noncompete clause in any contract with an agency worker or health care entity.

(2) In any contract with an agency worker or health care entity, require payment of liquidated damages, employment fees, or other compensation if the agency worker is subsequently hired as a permanent employee of the health care entity.

b. [This subsection](#) shall not apply to a contract between a health care employment agency and an agency worker or a health care entity if the contract meets all of the following criteria:

(1) The contract is entered into for the purpose of placing an agency worker the health care employment agency assisted in obtaining authorization to work in the United States.

(2) The contract contains an initial duration term of not less than twenty-four months and a total duration term, including any renewals or extensions, of not more than thirty-six months.

(3) The contract requires the agency worker to work for a single health care entity for the entire duration of the contract.

c. Any contract that violates [this subsection](#) shall be unenforceable in court.

4. A health care employment agency shall submit a report to the department on a quarterly basis for each health care entity participating in Medicare or Medicaid with whom the agency contracts that includes all of the following by provider type:

a. A detailed list of the average amount charged to the health care entity for each individual agency worker category.

b. A detailed list of the average amount paid by the agency to agency workers in each individual agency worker category.

5. The department shall establish a system for members of the public to report complaints against an agency or agency worker. The department shall investigate any complaint received and shall report the department's findings to the complaining party and the agency involved.

[2022 Acts, ch 1069, §2; 2022 Acts, ch 1153, §49; 2023 Acts, ch 131, §2, 3; 2024 Acts, ch 1157, §64, 68; 2024 Acts, ch 1185, §140](#)

Referred to in [§135Q.4](#)

See Code editor's note on simple harmonization at the beginning of this Code volume
Section amended