

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Health Policy

BILL: SB 976

INTRODUCER: Senator Bean

SUBJECT: Nurse Registries

DATE: February 27, 2014

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Looke	Stovall	HP	Pre-meeting
2.			JU	
3.			AHS	
4.			AP	

I. Summary:

SB 976 amends section 400.506 of the Florida Statutes to clarify that a registered nurse, licensed practical nurse, certified nursing assistant, or home health aide that is referred by a nurse registry is an independent contractor and not an employee of that registry regardless of the regulatory obligation imposed on the registry under chapter 400, Florida Statutes. The bill also clarifies that a nurse registry is not responsible for monitoring, supervising, managing, or training the nurses and home health aides it refers; that a nurse registry is not responsible for reviewing or acting on any records required to be filed with it by chapter 400 and maintained under the Agency for Health Care Administration (Agency) rule; and that if a registry becomes aware of a violation of chapter 400 or any other law, misconduct, or a deficiency in credentials of a nurse or home health aide it is only responsible for advising the patient to terminate the referred person's contract.

II. Present Situation:

A nurse registry is defined to mean "any person that procures, offers, promises, or attempts to secure health care-related contracts for registered nurses, licensed practical nurses, certified nursing assistants, home health aides, companions, or homemakers, who are compensated by fees as independent contractors, including but not limited to, contracts for the provision of services to patients and contracts to provide private duty or staffing services to health care facilities licensed under chapter 395, [chapter 400], or chapter 429 or other business entities."¹ Nurse registries operate by referring qualified health care workers to patients, health care facilities, or other business entities who hire such health care workers as independent contractors.²

¹ Section 400.462(21), F.S.

² Agency bill analysis for SB 976, on file with the Senate Health Policy Committee

Nurse registries are regulated under the Home Health Services Act found in part III of ch. 400, F.S., specifically s. 400.506, F.S., and part II of ch. 408, F.S., the general licensing provisions for health care facilities regulated by the Agency. A license issued by the Agency is required to operate a nurse registry. As of February 27, 2014, 511 nurse registries are licensed with the Agency.^{3,4}

Some of the responsibilities of a nurse registry as established in statute and rule include:

- Referring independent contractors capable of delivering services as defined in a specific medical plan of treatment for a patient or services requested by a client;⁵
- Keeping clinical records received from their independent contractors for 5 years following the termination of that contractor's service;⁶
- Disseminating to its independent contractors the procedures governing the administration of drugs and biologicals to patients required by ch. 464, F.S., and Agency rules, as well as all the information required by 59A-18.005(1), F.A.C.;⁷
- Initially confirming and annually reconfirming the licensure or certification of all its applicable independent contractors;⁸
- Annually requesting performance outcome evaluations from the health care facilities where the independent contractor provided services and maintaining those evaluations in that independent contractor's file;⁹
- Establishing a system for recording a following-up on complaints involving independent contractors referred by the registry;¹⁰
- Informing a health care facility or other business entity that a referred independent contractor is on probation with their professional licensing board or certifying agency or has had other restrictions placed on their license or certification when the nurse registry has received such information;¹¹
- Preparing and maintaining a written comprehensive emergency management plan;¹² and,
- Complying with the background screening requirements in s. 400.512, F.S., requiring a level II background check for all employees and contractors.¹³

Since nurse registries operate as referral services with the referred nurse working as independent contractors for a patient or facility who is responsible for hiring, firing, and paying the referred nurses, nurse registries are not required to meet the minimum wage and overtime requirements

³ Multiple nurse registries that are located in the same county may be included in one license and each operational site must be listed on the license.

⁴ On-line report of active nurse registries generated from the FloridaHealthFinder.gov website available at: <http://www.floridahealthfinder.gov/facilitylocator/ListFacilities.aspx>, (Last visited Feb. 27, 2014).

⁵ Rule 59A-18.010(2)

⁶ Rule 59A-18.012(7)

⁷ Rule 59A-18.013(1)

⁸ Rule 59A-18.005(3) and (4)

⁹ Rule 59A-18.017

¹⁰ Id.

¹¹ Id.

¹² 59A-18.018(1)

¹³ s. 400.506(9), F.S.

set out in the federal Fair Labor Standards Act (FLSA). Nonetheless, it is possible for a nurse registry to be considered an employer for the purposes of the FLSA under certain circumstances.^{14,15} Currently, even if a nurse registry is found to be an employer, it is still exempt from the requirements of the FLSA relating to minimum wage and overtime due to an exception made for the provision of companionship services.¹⁶ Companionship services have been interpreted to include “essentially all workers providing services in the home to elderly people or people with illnesses, injuries, or disabilities regardless of the skill the duties performed require.”¹⁷

Under a pending change to federal regulation that will take effect on January 1, 2015, the definition of companionship services will be significantly narrowed to specifically exclude “the performance of medically related services.”¹⁸ If a nurse registry is found to be an employer after January 1, 2015, it would have to comply with the requirements of the FLSA relating to minimum wage and overtime or be in violation of federal law.

III. Effect of Proposed Changes:

The bill clarifies the role of a nurse registry to reduce the likelihood that it would be deemed an employer under the FLSA, as follows:

- A registered nurse, licensed practical nurse, certified nursing assistant, or home health aide referred for contract by a nurse registry is an independent contractor and not an employee of that nurse registry regardless of the regulatory obligations imposed on the nurse registry by ch. 400, F.S., and Agency rule.
- A nurse registry is not obligated to monitor, supervise, manage, or train a registered nurse, licensed practical nurse, certified nursing assistant, or home health aide it refers.
- If a nurse registry becomes aware of a violation of law, misconduct, or a deficiency in the credentials of a registered nurse, licensed practical nurse, certified nursing assistant, or home health aide it refers, the registry’s sole obligation is to advise the patient to terminate the referred person’s contract.
- Records required to be filed with the nurse registry by ch. 400, F.S., must be kept in accordance with Agency rules solely as a repository of records and the nurse registry has no obligation to review or act upon such records other than as detailed above.

¹⁴ In order to determine whether or not employment or joint employment exists a person must look at all the facts in a particular case and assess the economic reality of the work relationship. Factors to consider may include whether an employer has the power to direct, control, or supervise the worker(s) or the work performed; whether an employer has the power to hire or fire, modify the employment conditions or determine the pay rates or the methods of wage payment for the worker(s); the degree of permanency and duration of the relationship; where the work is performed and whether the tasks performed require special skills; whether the work performed is an integral part of the overall business operation; whether an employer undertakes responsibilities in relation to the worker(s) which are commonly performed by employers; whose equipment is used; and who performs payroll and similar functions. See *Federal Register*, Vol. 78, No. 190, Oct. 1, 2013, at page 31.

¹⁵ Currently, AHCA rule 59A-18.005(8)(d) requires a nurse registry to record and follow up on complaints that are filed involving individuals it refers. This oversight may meet the supervisory test as stated in n. 4.

¹⁶ 29 CFR 552.6

¹⁷ Id n. 4 at page 3.

¹⁸ Id.

The effective date of the bill is July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 400.506 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
