

HOUSE BILL No. 2524

By Committee on Children and Seniors

1-20

House Children and Seniors
HB 2524
February 17, 2022

Office of Revisor of Statutes

1 AN ACT concerning health and healthcare; relating to the Kansas
2 department for aging and disability services; requiring regulation of
3 supplemental nursing services agencies thereby; creating the
4 supplemental nursing services agency regulation fund.
5

6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. As used in this act:

8 (a) "Act" means section 1 et seq., and amendments thereto.

9 (b) "Controlling person" means:

10 (1) A business entity, officer, program administrator or director whose
11 responsibilities include the direction of the management or policies of a
12 supplemental nursing services agency; or

13 (2) an individual who, directly or indirectly, beneficially owns an
14 interest in a corporation, partnership or other business association that is a
15 "controlling person."

16 (c) "Healthcare facility" includes any:

17 (1) Medical care facility, as defined in K.S.A. 65-425, and
18 amendments thereto; or

19 (2) adult care home, as defined in K.S.A. 39-923, and amendments
20 thereto.

21 (d) "Hospital long-term care unit" means a nursing facility, as defined
22 in K.S.A. 39-923, and amendments thereto, that is owned and operated by
23 and a part of a hospital, as defined in K.S.A. 65-425, and amendments
24 thereto.

25 (e) "Nurse" means a practical nurse or professional nurse, as those
26 terms are defined in K.S.A. 65-1113, and amendments thereto.

27 (f) "Nurse aide" means an individual who has a nurse aide certificate
28 issued in accordance with rules and regulations adopted by the secretary.

29 (g) "Person" means any natural or artificial person, including, but not
30 limited to, individuals, partnerships, associations, trusts or corporations.

31 (h) "Secretary" means the secretary for aging and disability services.

32 (i) (1) "Supplemental nursing services agency" means a person
33 engaged for hire in the business of providing or procuring temporary
34 employment in healthcare facilities for nurses and nurse aides.

35 (2) "Supplemental nursing services agency" does not include any
36 individual who only engages in providing such individual's services on a

House Children and Seniors
 HB 2524
 February 17, 2022
 Office of Revisor of Statutes

1 compensation if any such employee is hired as a permanent employee of a
 2 healthcare facility;

3 (I) document that each temporary employee provided to healthcare
 4 facilities is an employee of the agency and is not an independent
 5 contractor; ~~and~~

6 (J) retain all records for five calendar years and organize such records
 7 so that they can be made immediately available to the secretary upon
 8 request.

9 (2) In order to retain registration, the supplemental nursing services
 10 agency shall provide services to a healthcare facility during the year
 11 preceding the supplemental nursing services agency's registration renewal
 12 date.

13 (b) Failure to comply with this section shall subject the supplemental
 14 nursing services agency to revocation or nonrenewal of its registration. A
 15 supplemental nursing services agency's registration or renewal registration
 16 application may not be revoked or denied without a hearing held in
 17 accordance with the provisions of the Kansas administrative procedure act,
 18 K.S.A. 77-501 et seq., and amendments thereto, except that any such
 19 hearing shall be conducted by an administrative law judge within 60
 20 calendar days after the secretary receives a request for any such hearing.

21 (c) Notwithstanding subsection (b), when a supplemental nursing
 22 services agency that knowingly supplies to a healthcare facility an
 23 employee with an illegally or fraudulently obtained or issued diploma,
 24 registration, license, certificate or background study, such agency's
 25 registration shall be revoked by the secretary. The secretary shall notify the
 26 supplemental nursing services agency 15 calendar days in advance of the
 27 date of revocation.

28 (d) Violations of section 5, and amendments thereto, shall be subject
 29 to a fine equal to 200% of the amount billed or received in excess of the
 30 maximum amount permitted under that section. The secretary shall remit
 31 all fines assessed and collected under this subsection to the state treasurer
 32 in accordance with the provisions of K.S.A. 75-4215, and amendments
 33 thereto. Upon receipt of each such remittance, the state treasurer shall
 34 deposit the entire amount in the state treasury to the credit of the
 35 supplemental nursing services agency regulation fund.

36 (e) (1) The controlling person of a supplemental nursing services
 37 agency whose registration has not been renewed or has been revoked
 38 because of noncompliance with the provisions of this act shall not be
 39 eligible to apply for or be granted a registration for five years following
 40 the effective date of such nonrenewal or revocation.

41 (2) The secretary shall not issue or renew a registration to a
 42 supplemental nursing services agency if the controlling person of such
 43 agency includes any individual or entity who was a controlling person of a

; and
 (K) annually report the percentage of healthcare facility
 dollars the supplemental nursing services agency
 expended on temporary employee wages and benefits
 compared to the supplemental nursing services agency's
 profits and other administrative costs to the secretary,
 who shall make such report available to the public.