



NEWS

JB Pritzker, Governor

Jane R. Flanagan, Acting Director

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Nurse Staffing Industry Reforms Signed into Law

Includes Prohibition on Non-Compete Covenants and Conversion Fees

SPRINGFIELD – Reforms sought to update business and labor practices of nurse staffing agencies have been signed by Governor JB Pritzker.

The pandemic increased demand for nurses and nurse aides, causing healthcare facilities in Illinois to increasingly rely on temporary contract nurses referred by nurse staffing agencies to fill staffing needs

[HB 4666](#) amends and modernizes the Nurse Agency Licensing Act to bring transparency around fees charged, increase Nurse Agency reporting on their pay and labor practices, and expand protections for workers referred by nurse agencies. The Illinois Department of Labor (IDOL) is responsible for regulation and oversight of nurse staffing agencies pursuant to the Nurse Agency Licensing Act.

“This bill critically protects temporary nurses and nurse aides’ right to change jobs or get hired directly by a healthcare facility. It will also increase stability and transparency in the healthcare industry in the state. As the pandemic illustrated time and time again, healthcare workers and the healthcare industry are critical to the well-being of the people of Illinois,” said **Illinois Department of Labor Acting Director Jane Flanagan**.

The operational changes include the following provisions:

- Nurse staffing agencies are prohibited from entering into covenants not to compete with nurses and certified nurse aides.
- Nurse staffing agencies are prohibited from requiring the payment of liquidated damages, conversion fees, employment fees, buy-out fees, placement fees and or other compensation, if the employee is hired as a permanent employee of the health care facility.
- Nurse staffing agencies must disclose new contracts with facilities to IDOL within 5 business days of the effective date (protected from FOIA).

- Wage rates paid to nurses and certified nursing assistants (CNAs) must match wage rates identified on the contract. Failure to do so allows IDOL to recover underpaid wages for the worker.

The new reporting requirements include the following:

- Nurse staffing agencies must submit quarterly reports related to average charges to health care facilities to IDOL.
- IDOL must publish yearly a report by county of average amounts paid to employees and charged to health care facilities.

The changes take effect July 1, 2022.

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