

2025 SENATE WORKFORCE DEVELOPMENT

SB 2031

2025 SENATE STANDING COMMITTEE MINUTES

Workforce Development Committee Fort Lincoln Room, State Capitol

SB 2031
1/9/2025

Relating to nursing services agencies; and to provide an effective date.
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11:16 a.m. Chairman Wobbema opened the hearing.

Members Present: Chairman Wobbema, Vice-Chairman Axtman, Senator Boschee, Senator Larson, Senator Powers.

Discussion Topics:

- Licensing fees
- Effective date
- Non-compete agreements
- Number of agencies
- Other states restrictions
- Cost of contract nursing between 2020-2023
- Staffing (RNs and of facilities)
- Accountability

11:17 a.m. Senator Davison introduced the bill.

11:19 a.m. Beth Dittus, Assistant Legal Division Director for Legislative Council testified in neutral.

11:31 a.m. Nikki Wegner, President of the North Dakota Long Term Care Association, testified in favor and submitted testimony #28191 and #28330.

11:43 a.m. Blake Kragness, Administrator of Knife River Care Center, testified in favor and submitted testimony #28188.

11:50 a.m. Sheriff Sharma, Director of Business Development at DTN Staffing, testified in favor and submitted testimony #28271.

11:53 a.m. Tim Blasl, President of the North Dakota Hospital Association, testified in favor and submitted testimony #28102.

12:00 p.m. Tim Wiedrich, Health Response and Licensure, testified in opposition and submitted testimony #28197.

Additional written testimony:

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Brittany Boehm, Former RN, submitted testimony #28299.

Doug Sharbono, citizen, submitted testimony #28307.

12:10 p.m. Chairman Wobbema, closed the meeting.

Andrew Ficek, Committee Clerk



2025 SB 2031

Senate Workforce Development Committee

Senator Mike Wobbema, Chairman

January 9, 2025

Chairman Wobbema and members of the Senate Workforce Development Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I am here to testify in support of Senate Bill 2031. I ask that you give this bill a **Do Pass** recommendation.

Hospitals appreciate the Legislature's interest in contract nurse agencies. As I am sure you are all aware, the need for nursing staff was critical during the COVID-19 pandemic. Many hospitals had to turn to contract nurses in order to care for the increased numbers of patients. The number of COVID-19 cases and hospitalizations are considerably down from where they were then but staff shortages and labor costs remain major issues for hospitals in our state. When a hospital is forced to use contract labor, it comes at a premium. And, not all nurse agencies are transparent about the training and experience of the nurses they send.

We appreciated the legislative study of contract nurse agencies during the last interim and the ability to provide input as to how the use of nurse agency staff has impacted hospitals and other health care providers. Regulation of contract nurse agencies is something that a number of other states have enacted or are looking at as well. With nurse contract labor costs and workforce shortages threatening the financial viability of hospitals, common sense regulation of nurse staffing agencies is appropriate.

While we welcome more accountability and transparency from nurse agencies, we also wanted to make sure that regulation was not so onerous as to drive such agencies away from our state or cause them to increase their prices, which would have just been passed on to hospitals. We believe this bill strikes the right balance. Hospitals, along with numerous stakeholders such as the long term care association, the nurse association, and

even several contract nurse agencies, met several times during the interim to discuss and provide input on the bill draft. We all agreed it is imperative for there to be accountability and transparency so that contract nursing agencies are acting in the best interest of nurses and patients and to ensure safety and quality in the services they provide.

In summary, we support passage of this bill and hope that you will give it a **Do Pass** recommendation.

I would be happy to respond to any questions you may have. Thank you.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association

**Testimony in Support of Standards for Contract Nursing Agency
Standards
Senate Workforce Development Committee
January 9th, 2025
Senate Bill 2031**

Good afternoon, Chairman Wobbema and members of the Senate Workforce Committee. My name is Blake Kragne, and I serve as the Administrator of Knife River Care Center, a skilled nursing facility in Beulah, ND as well as a board member for the North Dakota Long Term Care Association representing the southwest region of the state. I am here to provide testimony in support of Senate Bill 2031, which proposes baseline licensing measures for contract nursing agencies in North Dakota.

As a nursing home administrator, my foremost priority is the well-being and safety of the residents entrusted to our care. In recent years, nursing facilities across the state have placed an increased reliance on contract nursing agencies to retain appropriate and safe staffing levels. While these agencies are invaluable in helping us maintain care standards, the absence of clear, baseline licensing requirements, as outlined in SB 2031, create challenges that directly affect both residents and facilities. Requirements outlined in SB 2031 are all items nursing facilities are required to attain and retain for employees of their organization.

Senate Bill 2031 addresses several of these challenges by introducing a baseline framework to create curbs and gutters for contract nursing agencies. Among the bill's many provisions, I would like to highlight three key areas that will positively impact care provided to our residents:

1. Licensing Requirements and Standards for Operation

Licensing will ensure that all nursing agencies meet a baseline level of accountability and professionalism. By requiring background checks, annual evaluations, and comprehensive record-keeping, the bill sets the stage for greater consistency amongst agency personnel. For nursing homes across the state, the standards outlined SB 2031 are the minimum standards required during our new hire process to be our employees at nursing homes. Adding

these licensing requirements would bring consistency between staffing agency and nursing home requirements.

2. Complaint and Accountability Systems

The establishment of a formal complaint system ensures that issues with agency staff can be documented and resolved transparently. This is critical for protecting residents and maintaining trust in the care provided. As an administrator, I have witnessed the challenges of navigating concerns about temporary staff without a defined reporting mechanism. This bill's provisions will give facilities a structured process to address such concerns effectively. For nursing homes across the state there is an already established complaint process/procedure for concerned citizens to report.

3. Alignment with Federal Staffing Mandates

With the Centers for Medicare & Medicaid Services mandating 24/7 RN coverage, rural facilities like ours face unique difficulties in meeting these standards. Senate Bill 2031 ensures that contract nursing agencies supplying this vital workforce are held to baseline standards, allowing us to rely on their support confidently as we strive to comply with federal regulations.

While I support the intent of this bill, I urge the committee to consider the administrative and financial implications for both agencies and healthcare facilities. For example, the \$2,000 non-refundable licensing fee and the requirement for comprehensive personnel records may place additional strain on smaller agencies, potentially limiting their availability in rural areas. I respectfully suggest exploring mechanisms to ensure that these measures are implemented equitably, balancing oversight with accessibility.

In conclusion, Senate Bill 2031 represents a necessary step toward safeguarding the quality and accountability of contract nursing services in North Dakota. Most staffing agencies operating in the state of ND, DTN staffing, Interim Healthcare and more, are already following these standards and have respectively worked with us to mold this legislation into what it is today. By establishing clear, minimum standards, this legislation not only protects our most vulnerable residents but also strengthens the partnership between healthcare facilities and staffing agencies.

Thank you for your attention to this critical matter. I am happy to answer any questions the committee may have.

Blake Kragnes, MHA, LNHA
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Testimony on Contract Nursing Agency Standards
Senate Workforce Development Committee
January 9, 2025
Senate Bill 2031

Good afternoon, Chairman Wobbema and members of the Senate Workforce Development Committee. My name is Nikki Wegner, President of the North Dakota Long Term Care Association. We represent 182 assisted living, basic care, and skilled nursing facilities in North Dakota. I am grateful for the opportunity to testify today in support of Senate Bill 2031, which addresses the vital issue of contract nursing agency standards.

Over the past year, the North Dakota Long Term Care Association has worked collaboratively with various stakeholders to address the challenges posed by the growing reliance on contract nursing agencies. This issue has been highlighted in interim committee hearings with the Healthcare Committee, where we shared data showing that contract nursing hours have more than doubled from 2021 to 2023, and nearly \$73.5 million was spent on these services in 2023 alone. Without these agencies, many facilities would be forced to reduce services or close their doors altogether, jeopardizing care for residents across the state.

The dramatic increase in the number of contract agencies operating in North Dakota, from 8 to over 60 in just a few years, has brought new challenges to the forefront. While these agencies are indispensable for meeting staffing needs, there is currently no framework for ensuring their quality and accountability. Senate Bill 2031 seeks to remedy this by establishing essential standards for contract nursing agencies, including:

- **Licensing Requirement**

The bill requires nursing services agencies to be licensed by the Department of Health and Human Services to ensure quality standards.

- **Operational Standards**

Agencies must follow guidelines for training, evaluations, and maintaining accurate personnel records.

- **Background Checks**

Agencies are responsible for verifying staff qualifications and conducting criminal background checks.

- **Complaint System**

A process for reporting and resolving concerns about agency staff ensures accountability and resident safety.

- **Enforcement and Penalties**

Non-compliance may lead to fines or license revocation to uphold care standards.

These measures are critical for protecting resident safety and maintaining trust in the care provided by our facilities. As we shared in our previous testimonies, the lack of accountability for contract staff has led to significant concerns, including instances where facilities have had to invest excessive time training staff who were expected to be ready to provide care immediately.

Importantly, we do not believe that implementing these standards will pose an undue administrative burden on agencies. Many other states already have similar requirements in place, and contract agencies working with us on this legislation, such as Interim Healthcare and DTN Staffing, have expressed their support for these changes. This alignment underscores the shared understanding of the need for quality and accountability in this critical sector.

The urgency of these reforms is further amplified by the Centers for Medicare & Medicaid Services' (CMS) federal staffing mandate. With the requirement for 24/7 RN coverage taking effect in the near future, our facilities, especially those in rural areas face unprecedented challenges. Senate Bill 2031 complements the efforts of long term care providers to meet these federal

standards by ensuring that contract nursing agencies uphold the quality and accountability needed to fill workforce gaps responsibly.

This bill reflects input from a wide range of stakeholders, including the ND Hospital Association, Interim Healthcare, DTN Staffing, and the ND Nurses Association. Together, we have identified a consensus on the importance of licensing contract nursing agencies to ensure consistency, safety, and quality in their operations.

In closing, I urge the committee to support Senate Bill 2031. By establishing essential standards for contract nursing agencies, this legislation will protect the well-being of our most vulnerable citizens while ensuring that facilities have access to the staffing solutions they desperately need.

Thank you for your consideration. I am happy to answer any questions you may have.

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Testimony
Senate Bill No. 2031
Senate Workforce Development Committee
Senator Mike Wobbema, Chairman
January 9, 2025

Chairman Wobbema, and members of the Senate Workforce Development Committee, thank you for the opportunity to provide testimony regarding SB 2031, which proposes to establish a licensing program for Nursing Services Agencies (NSAs) under the purview of the North Dakota Department of Health and Human Services (NDDHHS). NDDHHS opposes this legislation for the following reasons:

1. Dissatisfaction with Contracted Services by Travel Agencies:

Issues related to dissatisfaction with contracted services by travel agencies should be addressed by discontinuing the contracts in question rather than introducing governmental intervention through legislation.

2. Malpractice Insurance Requirements: Setting specific amounts or required malpractice insurance for NSAs, as is proposed in 23-17.8-03, is problematic as the amounts become outdated and agency is left unable to update the amounts to reflect industry standards. Malpractice insurance requirements should be set by the

facility or by the entity licensing the individual licensed professionals.

3. **Employee Compensation Concerns:** Concerns about employee compensation are already under the jurisdiction of the Department of Labor and Human Rights, which has established mechanisms to address these matters.
4. **Hiring Facility Responsibilities:** It is the responsibility of hiring facilities to ensure that their employees or contracted professionals meet all personnel requirements. Much of the proposed 23-17.8-04 relate to essentially HR functions. Each healthcare facility should ensure that every nursing agency contractor meets all personnel and competency requirements of the facility. This responsibility should not be shifted to the state through the establishment of a licensing program.
5. **Violations of the Nurse Practices Act:** Violations of the Nurse Practices Act should be reported directly to the Board of Nursing, which is the entity the legislature has designated to handle these complaints by law. Requiring that violations of the Nurse Practices Act be reported to the Department, as proposed in 23-17.8-04(9) results in duplicative administrative processes and missed disciplinary reporting.

6. Addressing Legal and Civil Matters: Much of the content of this bill pertains to matters that can be adequately addressed through other civil means by the appropriate licensing agencies or through criminal prosecution when warranted.

The concerns this bill seeks to address can be more appropriately and effectively resolved through existing mechanisms and by the facilities themselves without the need for additional governmental oversight.

Thank you for the opportunity to provide this testimony. I am happy to answer any questions the committee may have.

Testimony on Contract Nursing Agency Standards
Senate Workforce Development Committee
January 9, 2025
Senate Bill 2031

Chairman Wobbema and members of the committee thank you for allowing me to testify today. My name is Sheriff Sharma, I am the Director of Business Development at DTN Staffing. DTN Staffing is a healthcare staffing agency founded in 2007, DTN provides supplemental healthcare staff to facilities across the Midwest.

At DTN we pride ourselves on providing the most qualified staff to fit each facility's individual needs. We have work closely with NDLTCA and its members to align the expectations and standards set forth in the bill. We would like to highlight the clause **Page 4 – Item 26-7 A felony conviction by the nursing services agency's owner or one of its employees or independent contractors.** This doesn't concern us regarding field staff but primarily internal employees as we could run into a potential conflict with Equal employment opportunity laws. These internal staff would have no exposure to vulnerable populations and restrictions could expose the agency to legal action as the bill would require them to deny internal candidates for reasons that wouldn't affect their work duties. As we testify in support of Senate Bill 2031, we would like to request an amendment that would help to address this concern.

Again, thank you Chairman Wobbema and members of the committee for allowing me to share a little about DTN Staffing today. If you have any questions I will happily answer those at this time.

Testimony in Opposition to 2025 SB 2031**Senator Mike Wobbema, Chairman****January 9, 2025**

Chairman Wobbema and members of the Senate Workforce Development Committee, my name is Brittany Boehm, former RN at a local hospital.

During my career, I saw the steady decline from a well-staffed highly functioning hospital unit to a very poorly staffed, struggling department with nurses quitting left and right due to job fatigue, both physical and emotional. I saw the influx of travel nurses, filling the voids left by local staff. Some of these travel nurses didn't last long, as they were not a good fit and the hospital chose not to renew their contracts, or terminated them early. Many travel nurses, however, were some of the best nurses I have ever met and I benefited immensely from working alongside them.

Measures are already in place to license nurses, report violations, and conduct disciplinary action through the state Board of Nursing. Conduct issues that do not qualify for these criteria can be handled between a healthcare facility and an agency, with no need for government involvement.

This bill seeks to address issues that arise because the healthcare facilities are unable to take these steps on their own with travel agency employees as they would with their own employees. If this is the standard that the facility requires, they should require it of the travel agency in their contracts, rather than trying to write it into law.

This bill places an unnecessary burden on the taxpayer to cover the costs of something that should be handled completely within the private sector.

As is typically experienced in a true free market system, the agencies that meet the requirements of the facilities will win the contracts, and the agencies that fail to meet them will have no contracts, motivating them to change their procedures.

Zero government interference. Zero taxpayer dollars.

Every day, Americans make the decision (and sometimes sacrifice) to speak with their dollars by buying from retailers whose standards they support. Healthcare facilities can do the same and refuse to work with inferior agencies, rather than looking to the government to solve the issue for them.

Respectfully,

Brittany Boehm

Mandan, ND

**Do Not Pass Testimony
of Doug Sharbono, citizen of North Dakota
on SB2031
in the Sixty-ninth Legislative Assembly of North Dakota**

Dear Chairman Wobbema and members of the Senate Workforce Development Committee,

I am writing as a citizen and believe SB2031 is unneeded legislation. This legislation adds another layer of stifling regulation to an industry already struggling with workforce issues. Currently, the North Dakota Board of Nursing regulates these issues. The legislation was initiated due to dissatisfaction with some travel nurses and/or their agency. The solution to that problem is simple:

1. Allow the employer and the agency or travel nurse to work this out amongst themselves.
2. If malpractice is involved, this is a matter between the insurance, the employer, and the governing board of nursing.

There are processes already in place to address this issue without adding excessive regulation.

Please give SB2031 a Do Not Pass.

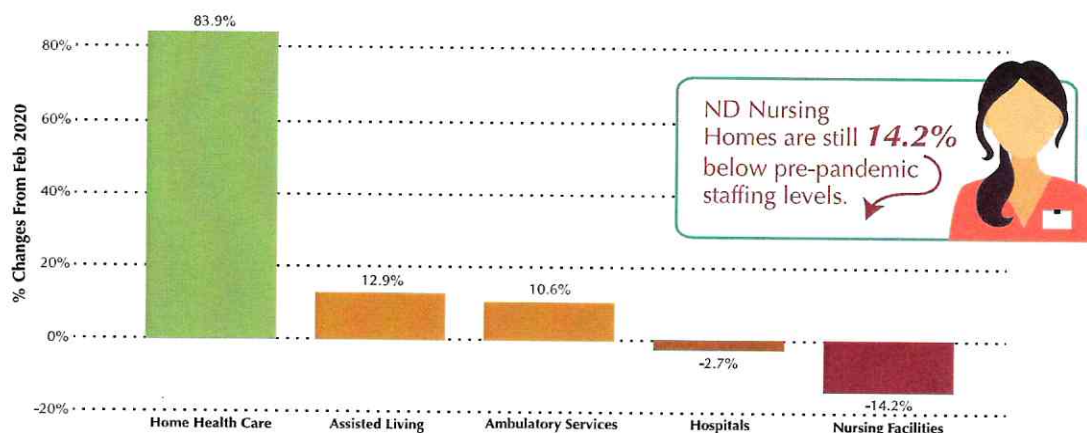
Thank you,

Doug Sharbono
1708 9th St S
Fargo, ND 58103

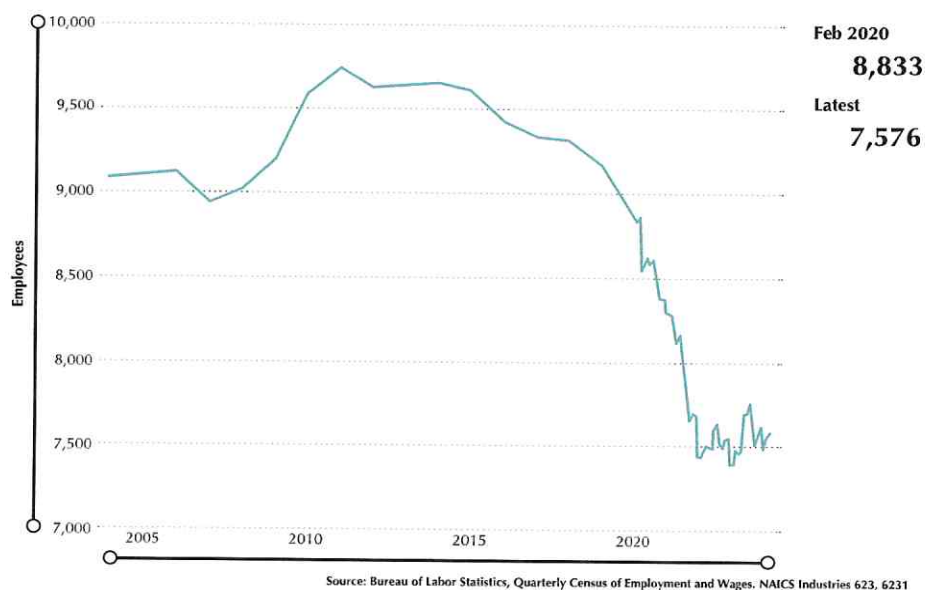
Workforce

Workforce Challenges and Solutions

Statewide Staffing Shortages



Workers Needed:
1,257 nursing home workers
 are required in ND to return
 to pre-pandemic levels.

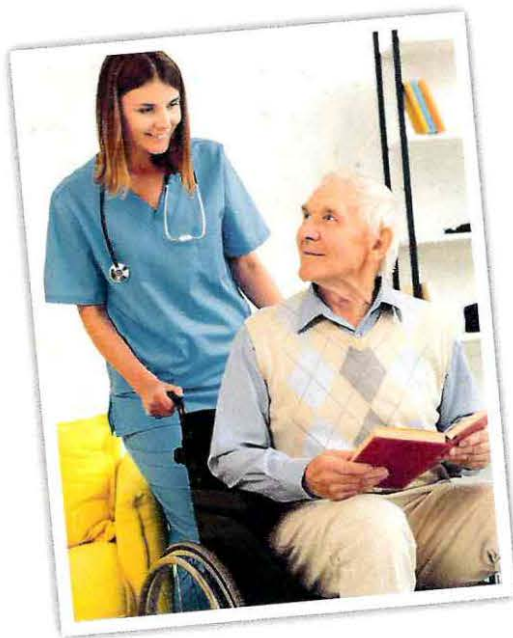


- North Dakota Trends: Urban nursing homes show better staffing recovery than rural facilities, where competition for limited local workers is a significant challenge.

Workforce

Strategies to Address Staffing Shortages

- Reducing reliance on contract staff.
- Competitive sign-on bonuses and wage increases.
- Foreign nurse recruitment.
- Recruiting from underemployed U.S. regions, offering relocation assistance and housing support.
- Workforce development initiatives:
 - Partnerships with schools for on-the-job training, virtual learning, and apprenticeships.
 - A state database connecting students with local long term care positions to build community loyalty.



Ongoing Challenges

- Facilities continue to rely on temporary contract staff while navigating logistical, financial, and cultural barriers.
- Long-term solutions require sustained investment in workforce development and innovative recruitment strategies.

Commitment to Quality Care

Despite workforce challenges, long term care facilities in North Dakota and across the nation remain dedicated to providing high-quality care to residents.

Nursing Facility Facts



Nursing Facility WORKFORCE



- The top issue facing nursing facilities is workforce and reimbursement.
- 23% of nursing facilities stopped admissions in 2024 because of lack of staff.
- During the pandemic, nursing facilities lost 15.3% of their staff and they have not returned.
- 26% of the workforce is age 50 or older, with the oldest employee being 93.
- 16% of nursing hours in 2023 were contracted staff.
- In 2024, 2 facilities have closed due to financial viability, staffing, and burdensome regulations.

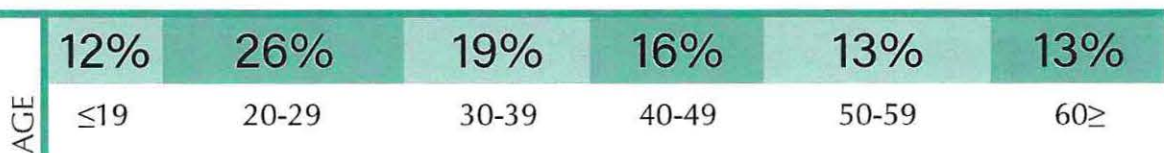
Contract Nursing Costs	2023	2022	2021	2020
	\$73,489,180	\$63,814,506	\$27,676,565	\$24,200,946
		14.4%	176.6%	28.7%

Contract nursing % change each year



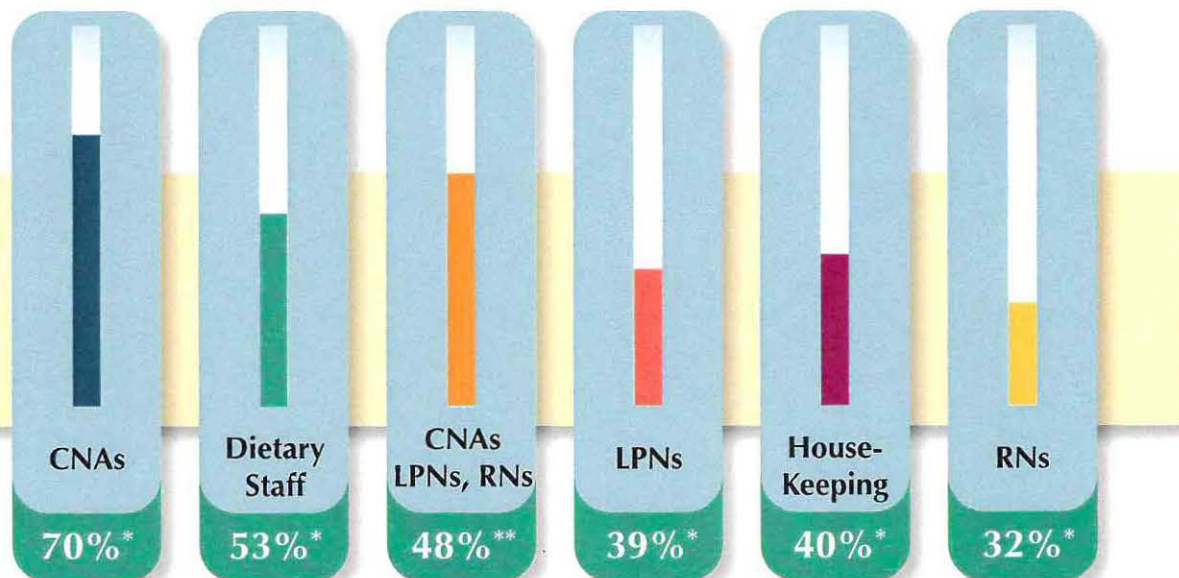
Age of Nursing Facility Workforce

n=4,630



2024 Nursing Facility Staff Turnover

*NDLTCA Survey
**CMA PBJ Reporting



2025 SENATE STANDING COMMITTEE MINUTES

Workforce Development Committee Fort Lincoln Room, State Capitol

SB 2031
1/31/2025

Relating to nursing services agencies; and to provide an effective date.
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10:36 a.m. Chairman Wobbema called the meeting to order.

Members Present: Chairman Wobbema, Senator Boschee, Senator Larson, Senator Powers. Members Absent Vice-Chairman Axtman.

Discussion Topics:

- Facilities
- Strident controls
- Administrative rules

10:47 a.m. Senator Larson moved a Do Not Pass.

10:48 a.m. Senator Boschee seconded.

Senators	Vote
Senator Mike Wobbema	Y
Senator Michelle Axtman	AB
Senator Josh Boschee	Y
Senator Diane Larson	Y
Senator Michelle Powers	Y

Motion passed 4-0-1.

Chairman Wobbema will carry the bill.

10:51 a.m. Chairman Wobbema closed the
hearing. *Andrew Ficek, Committee Clerk*

REPORT OF STANDING COMMITTEE
SB 2031 ([25.0241.02000](#))

Workforce Development Committee (Sen. Wobbema, Chairman) recommends **DO NOT PASS** (4 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2031 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.