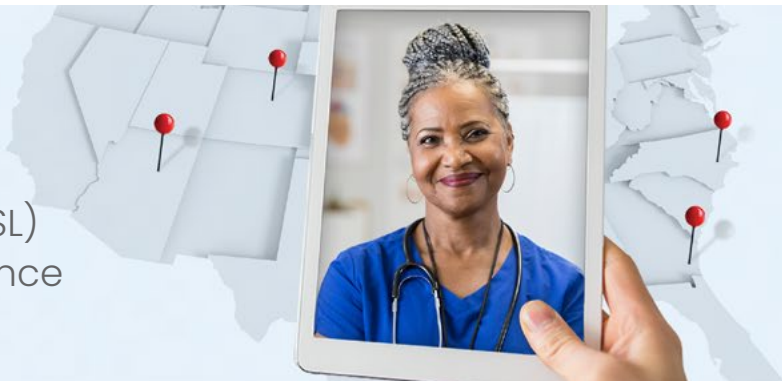
NCSBN
Leading Regulatory Excellence

NLC
NURSE LICENSURE COMPACT

Rule 402.2: The NLC Multistate License (MSL) 60-Day Residency Rule: Important Guidance for Employers of Nurses



1. What is the MSL 60-day residency rule and who does it pertain to?

Rule 402.2 provides "*A multistate licensee who changes primary state of residence (PSOR) to another party state shall apply for a multistate license in the new party state within 60 days.*"

This rule, effective Jan. 2, 2024, pertains to:

- Nurses who hold an active registered nurse (RN) or licensed practical/vocational nurse (LPN/VN) multistate license in a PSOR that is an NLC state; and
- Nurses who are relocating and thereby making a permanent move to another NLC state which is the intended new PSOR.

2. Why was this rule created?

Rule 402.2 has been an affirmative requirement for a nurse to apply for a new MSL when changing PSOR from one NLC state to another NLC state since the NLC began in 2000. The rule was amended in 2024 to provide clarity that the nurse must submit application within 60 days of changing PSOR.

3. Is the new MSL required to be issued within 60 days?

No. The application for license by endorsement must be submitted within 60 days on the state board of nursing website. The nurses should ensure that they have proof of residency in the new state at the time of application. Such proof may include a driver's license or voter registration card in the new PSOR. These are acceptable forms of evidence of PSOR because each requires the individual to sign a legal attestation indicating that the state is that nurse's PSOR.

4. When does the 60-day period begin?

The period begins when the nurse arrives in the new state with the intent of that state being the new PSOR.

5. How does the rule impact travel nurses and military spouses?

Generally, travel nurses who visit another state are only doing so temporarily and are not making a permanent change of PSOR. Therefore, this rule does not pertain in this scenario. However, if a temporary position in another NLC state leads to a permanent role whereby the nurse decides to make a change of PSOR, then the rule would apply.

Military families are generally stationed in a remote state for a limited period of time such as two to three years. Because they are there temporarily and are not becoming permanent residents, the nurse who is a military spouse would practice in a remote NLC state under the MSL issued from the nurse's PSOR. The spouse would not need to obtain an MSL in this state where the family is living temporarily under military orders.

6. What should an employer do when a nurse does not apply for a new license by endorsement within 60 days?

The nurse should complete the license by endorsement application as soon as the noncompliance is discovered.

7. What if a nurse does not want to apply for a new license by endorsement because their MSL has not reached the expiration date?

The expiration date of the MSL from the former PSOR is not a relevant justification since the nurse has changed the PSOR. That MSL was issued to the nurse as authorizing practice in NLC states only while the nurse maintained that state as the PSOR. Now that the nurse has changed PSOR, NLC rules dictate that the MSL must be replaced by an MSL in the new PSOR.

This is similar to state requirements requiring application for a new driver's license after relocating to another state. In virtually every state, when a driver changes PSOR they are required by law to obtain a new driver's license within a certain number of days. It is against the law to drive under the former state driver's license until the expiration date.

8. What if the nurse does not want to apply for a new MSL because they still own a home in the former PSOR?

PSOR pertains to a nurse's legal status as a resident of a state. Property ownership is not a determinant of residence for purposes of application for a new MSL.

9. How does the MSL benefit nurses changing PSOR from one NLC state to another NLC state?

The rules of the NLC are designed to enable a nurse to have seamless practice when relocating from one NLC state to another NLC state. This minimizes the possibility of a period of unemployment due to relocating and waiting for the issuance of a new license.

Rule 403.1 provides:

"A nurse who changes his or her primary state of residence from one party state to another party state may continue to practice under the existing multistate license while the nurse's application is processed and a multistate license is issued in the new primary state of residence."

The intent of the NLC is that the nurse changes PSOR and practices under the MSL of the former PSOR for a limited period of time, i.e., from the time the nurse moves, during an application process and until the new MSL is issued in the new PSOR. This is only the case if the nurse submits the application for license by endorsement in the new PSOR within 60 days of moving, as is required. That is the time frame in which practice under an MSL from a former PSOR is authorized. Beyond that time frame, the license cannot be considered valid.

Nurses should ensure that the MSL is active and not about to expire as they begin the process of changing PSOR, in order to enable a seamless transition.

10. What is the penalty for nurses who do not apply for a new MSL within 60 days of relocating to a new PSOR?

It's important to recognize that a rule has the same force and effect of law. So, when a nurse does not apply for a new MSL within 60 days of changing PSOR, the nurse is in violation of the NLC rule which is a violation of law. As such, the nurse not in compliance with the law is subject to potential action by the board of nursing. Such actions may include a warning, monetary fines, or other actions which may limit or restrict the nurse's practice. The amount of time which has passed beyond 60 days and any past disciplinary history of the nurse may play a role in the severity of the board action.

11. How does it impact an employer when a nurse violates this residency rule?

Such violations are a significant concern for employers who make great efforts to ensure that nurses in their employment are practicing under valid licenses. This is because payors, including CMS, have the expectation that providers whose services are being reimbursed are holding valid licenses. Employers place themselves at risk when nurses or any licensed providers are not holding valid licenses. It's not uncommon for an employer to forfeit reimbursement for unlicensed care when it is discovered during an audit. Patients too have an expectation that the nurses caring for them hold valid licenses.

12. Are there any suggestions for employers to best mitigate risk when hiring a new nurse who must change PSOR?

It's to an employer's advantage to make a determination at the point of hire as to whether the nurse is changing PSOR or not. The nurse who is changing PSOR must submit an application for license by endorsement within 60 days of relocation.

Discussions with employers that have implemented processes include adoption of relevant policies, which mandate that a nurse demonstrate proof of application for license by endorsement in a new PSOR within a short time after relocation. Such policies often also mandate that a nurse notify an employer of any subsequent change of PSOR or change of license status.

13. Are there any other helpful resources for employers?

So that they may stay informed of any changes to the license status of any nurses in their employment, employers are strongly encouraged to enroll their nurse workforce in e-Notify. Employers will receive real-time notifications of any changes to nurse license status including license expirations. This can be done at no cost by enrolling as an institution in e-Notify and uploading a spreadsheet of nurse data. Inquiries can be sent to nursyssupport@ncsbn.org.

14. Are there any resources for nurses?

Yes, residency rule FAQs for nurses are available on our website.