



Legislative Audit Commission Assisted Living Facility Licensing

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MDH Commitment to Program Integrity

- People residing in an assisted living facility in Minnesota deserve to receive the best possible care and have reassurance that facilities are being held to the highest standards.
- The health, safety, and wellbeing of residents and staff is the top priority for the Minnesota Department of Health (MDH) with facilities that we license.
- MDH has robust processes in place that include regular surveys and inspections along with complaint investigations to ensure that residents receive the care they need.
- While MDH does not pay for services, we work closely with DHS to address issues when needed.

Assisted Living Licensure Effective August 1, 2021

On August 1, 2021, Minnesota Assisted Living Licensure became effective enabling MDH to license, survey, investigate, and enforce under the Minnesota Statute 144G requirements.

- Previously, assisted living was not a license type, it was a “Housing with Services” designation.



Key Reforms with Assisted Living Licensure Laws

✓ **Established a Single License for Assisted Living Facilities**

Streamlined regulatory structure by creating a unified license type.

✓ **Increased Licensee Responsibilities and Accountability**

Heightened oversight and defined clearer responsibilities for facility operators.

✓ **Implemented Physical Plant & Fire Safety Requirements**

Strengthened facility infrastructure and emergency preparedness standards.

✓ **Required Licensing for Assisted Living Directors** Introduced qualifications and accountability measures for leadership roles.

✓ **Changed Survey Frequency from Every 3 Years to Every 2 Years**

Improved regulatory oversight with more frequent inspections.

✓ **Enhanced the Resident Bill of Rights**

Expanded protections and ensured clearer articulation of resident rights.

✓ **Expanded Consumer Protections**

Added safeguards to ensure resident well-being and informed decision-making.

Definition of Assisted Living Facility

- An "assisted living facility" is a facility that provides sleeping accommodations and assisted living services to one or more adults (18 and older).
- Assisted living services include:
 - Assistance with activities of daily living (e.g., bathing, dressing, grooming, toileting, feeding, transfers).
 - Nursing tasks (e.g., blood pressure or blood glucose checks).
 - Medication management services, treatments and therapies.
 - Preparation of specialized diets and assistance to residents with complicated eating problems.
- May include a secured dementia care unit.
 - Licensed as an assisted living facility with dementia care.

Assisted Living Survey Requirement

Minn. Stat. 144G.30, subs. 2 & 3

MDH must conduct a survey of each assisted living facility **at least once every two years**.

The survey process helps MDH determine whether an assisted living facility is in substantial compliance with 144G licensing requirements, which means the facility is **complying sufficiently to prevent unacceptable health and safety risks to residents**.

During the survey process, MDH inspects the facility and evaluates resident wellness and safety through:

- Reviewing staff training and resident records; conducting staff, resident, and family interviews; observations of resident cares like medication administration, bathing, feeding, infection control, pain management and activities of daily living.
- Evaluating fire safety and evacuation plans, egress windows for emergency exits, maintenance and repair of the facility, smoke alarms and fire extinguishers.
- Kitchen and food code inspections to prevent foodborne illnesses.

Increase in Assisted Living Licenses

- MDH initially anticipated 1,300-1,500 home care licensees would convert to assisted living licensure.
- However, nearly 2,000 home care licensees converted to assisted living licensure, with a total capacity of 58,975 residents.

Year	Total
2021	2,053
2022	2,147
2023	2,244
2024	2,204
2025	2,328

2026 Capacity	Total Residents
5 or fewer residents	1,431
6 to 16	275
17+	827

Small Assisted Living Facility Licensure Workgroup

- The [2026 Legislature](#) directed MDH to convene a workgroup to examine licensing requirements for assisted living facilities that provide customized living for five or fewer residents.
 - **Purpose:** Develop a new licensing category for small assisted living facilities that predominantly serve individuals receiving customized living services under the federally approved brain injury, community access for disability inclusion, and elderly waiver plans. Final report due January 1, 2028.
 - **Status:** Meetings will begin Fall 2026.
- MDH will introduce proposals in the 2027 session to add clarity and address regulatory gaps in the assisted living facility statutes.

OLA Recommendations and Responses

Recommendation #1

Recommendation: MDH should ensure it retains documentation used to verify information provided by license applicants (Recommendation #1 of Chapter 2).

Response:

- We are strengthening our quality controls.
- September 2025, MDH reviewed our procedures, and updated processes are documented in standard operating procedures and incorporated into training for new employees.
- MDH has also added a new quality assurance check.

Recommendation #2

Recommendation: MDH should comply with statutorily required timelines for assisted living facility inspections (Recommendation #2 of Chapter 2).

Response:

- MDH has made great strides in improving inspection rates since 2021.
- Two factors impacted the delay of the first 24-month inspection cycle.
 - Many of our nurses were reassigned during COVID due to MDH emergency response needs.
 - Many more facilities sought new assisted living licenses than anticipated.
- Our goal is to inspect all providers within the 24-month statutorily required timeline.

Recommendation #3

Recommendation: MDH should establish standards for imposing licensing sanctions on assisted living facilities (Recommendation #3 of Chapter 2).

Response: Implementing this recommendation requires changes to statute or rule.

- MDH is evaluating available options to implement this recommendation consistent with applicable law and expects to include updated statutory language in our 2027 legislative agenda.

Recommendation #4

Recommendation: DHS should improve its assisted living report card methodology; if necessary, it should request additional data-gathering authority from the Legislature (Recommendation #4 of Chapter 3).

Response: MDH will work with DHS on ways we can improve the value, breadth, and transparency of the assisted living report card.

Recommendation #5

Recommendation: MDH should improve the accuracy and usefulness of the information on disclosure forms that assisted living facilities complete (Recommendation #5 of Chapter 3).

Response: MDH is improving the Uniform Disclosure of Assisted Living Services and Amenities (UDALSA) form:

- Make the data more user-friendly for consumers to search for and compare services between facilities
- Will be designed in a way that requires clearer descriptions of services provided and prevents incomplete or erroneous entries.
- MDH will solicit stakeholder feedback (as required by statute) and incorporate these changes into the updated form and format.

Recommendation #6

Recommendation: MDH should provide online summary information about its inspection findings (Recommendation #6 of Chapter 3).

Response: MDH recognizes the value of a summary information page and will determine how best to incorporate it into the full inspection report.

Recommendation #7

Recommendation: The Legislature should consider giving MDH additional authority to monitor compliance with the statutory requirement that facilities employ a licensed assisted living director (Recommendation #7 of Chapter 4).

Response: Statute requires each assisted living facility to employ an assisted living director licensed by and be the director of record with BELTSS.

- Facilities are required to disclose information verifying they are compliant with this requirement upon initial licensure and annual licensure renewal.
- MDH monitors compliance with this requirement under MDH's survey and investigation authority and issues correction order for noncompliance.
- MDH plans to seek clarification in this area of statute in the 2027 legislative session.

Recommendation #8

Recommendation: MDH should ensure that assisted living facilities that share a licensed assisted living director (LALD) have BELTSS approval for the sharing arrangement (Recommendation #8 of Chapter 4).

Response: During the licensing and inspection process, MDH does review and ensure that each facility has a LALD with the facility as its director of record.

- MDH issues immediate correction orders when there is no LALD or director of record.
- Currently, statute does not require a notification of change in LALD to MDH, but we are working to address this during the 2027 session.
- MDH is working with BELTSS to establish a process for BELTSS to review and approve LALDs on a provisional license, prior to the full license being issued.

Recommendation #9

Recommendation: MDH should record clear start and end dates for assisted living facility licenses (Recommendation #9 of Chapter 4).

Response: MDH is planning a 2027 proposal to address when a facility has a delay or gap in renewal.

- MDH currently has no authority for extensions, interim measures, or other changes in the expiration date to address these situations and late renewals maintain an effective date of the day after the expiration date to maintain continuity of licensure and ensure continuity of care for residents.
- Continuity of care for the residents of the facility is critical.
- Earlier this year, MDH reviewed our facility closure process and made changes, including assigning a nurse evaluator who will communicate with—and conduct onsite inspections as needed—which will provide more timely and accurate completion of the closure process, including clear end dates.

Recommendation #10

Recommendations: 1) DHS should ensure that it does not pay assisted living facilities for more residents than the facilities are authorized to serve (Recommendation #10 of Chapter 4) 2) MDH should create recordkeeping processes that accurately indicate an assisted living facility's current and historical resident capacity (also Recommendation #10 of Chapter 4).

Response: MDH recently implemented a new system for recording capacity changes to capture the effective date of the change, which is similar to the system for relocations where a new license record is created and a new license certificate is issued reflecting the new capacity.

- The effective date listed on the license the date of the capacity change and the expiration date is the same as the expiration date listed on the previous license record.
- This data will feed directly into the online directory, which DHS accesses.

Recommendation #11

- **Recommendation:** MDH and DHS should work together and with the Legislature to authorize MDH inspectors to assist in verifying whether assisted living facilities are providing state-funded services (Recommendation #11 of Chapter 4).
- **Response:** MDH is working with DHS to determine how best to incorporate verification of Medical Assistance payments for assisted living facilities within the MDH inspection process and what resources or additional authority may be needed to carry this out.

Thank You

Appendix

MDH Identification of Fraud

MDH identifies possible fraud at state-licensed facilities by reviewing facility records, county service agreements, documents provided by vulnerable adult case management team, or through onsite survey and investigation activities.

Examples of activities MDH may identify and report as fraudulent activity:

- The facility receives payment for RN/LPN level cares, but onsite observations, interviews, and document reviews show the unlicensed personnel are implementing the cares.
- The facility receives payment for services the resident either does not need or is not receiving.

Credentialing Verifications

All new providers must go through the provisional license application process to operate as an assisted living facility.

MDH reviews applicant compliance history, DHS exclusion lists, and any irregularities when evaluating applications for licensure.

Other Verification items:

- ✓ IRS form SS-4
- ✓ Background studies
- ✓ Board of Executives for Long Term Services and Supports (BELTSS)
- ✓ Workers Comp and Liability Insurance
- ✓ Board of Nursing

Also review and inspect the proposed facility.

- Referral procedures for reporting possible fraudulent activities, include reports to:
 - DHS Office of Inspector General (OIG) Program Integrity and Oversight Division
 - Medicaid Fraud Control Unit
 - Bureau of Criminal Apprehension (BCA) Financial Crime and Fraud Section
 - Office of Legislative Auditor (OLA)
 - DLI and MN Attorney General Wage Theft teams
- MDH meets regularly with DHS to discuss assisted living survey or investigation findings.

Filing a Complaint with MDH

- **Minnesota Adult Abuse Reporting Center (MAARC)**
 - Maltreatment of a vulnerable adult, including physical or emotional abuse; neglect; and financial exploitation.
 - Anyone can make a report at 844-880-1574 or [online](#).
 - Triaged by MDH.
- **General licensing compliance concern**
 - Vulnerable adult or facility concerns, including reporting rights violations; issues with inadequate care; violations of licensing standards; issues related to discharge/termination of services.
 - Email: health.ohfc-complaints@state.mn.us
 - Triaged by MDH.

- **Licensed Facilities are listed on the Health Care Provider Directory:**
<https://www.health.state.mn.us/facilities/regulation/directory/providerselect.html>
- **Assisted Living Licensure**
(<https://www.health.state.mn.us/facilities/regulation/assistedliving/index.html>)
- **Resources and FAQs**
(<https://www.health.state.mn.us/facilities/regulation/assistedliving/faq.html>)
- **Assisted Living Licensure** inbox: health.assistedliving@state.mn.us