



Assisted Living Facility Licensing

The Minnesota Department of Health (MDH) has performed some of its assisted living facility licensing responsibilities well, but it should make improvements related to inspections, transparency, and supporting the work of other agencies.

Report Summary

MDH Licensing Activities

MDH reviews applications and conducts on-site inspections to ensure that assisted living facilities comply with licensing requirements.

- MDH has generally ensured that applicants for assisted living facility licenses meet licensing requirements, but MDH has not inspected assisted living facilities as frequently as required by law. (pp. 16, 22–24)

Recommendation ► MDH should comply with statutorily required timelines for assisted living facility inspections. (p. 24)

- MDH has not established clear standards for imposing licensing sanctions—such as conditional or suspended licenses—on assisted living facilities. (pp. 28–29)

Recommendation ► MDH should establish standards for imposing licensing sanctions. (pp. 29–30)

Quality of Care and Transparency

Both MDH and the Department of Human Services (DHS) provide information to the public about assisted living facilities.

- DHS publishes “assisted living report cards” that rate individual assisted living facilities. The report card ratings rely on limited information and do not compare facilities on key health or staffing measures. The report card ratings also do not incorporate information from maltreatment investigations. (pp. 33–37)

Recommendation ► DHS should improve its assisted living report card methodology; if necessary, it should request additional data-gathering authority from the Legislature. (pp. 37–38)

- Facilities self-report the services they can provide on disclosure forms; MDH does not ensure that the information provided on these forms is accurate. (pp. 40–41)

Background

Assisted living facilities are a hybrid between health care facilities and residential housing. All assisted living facilities share some common characteristics, such as on-call or on-site nursing staff and food, laundry, and housekeeping services for residents. However, facilities vary widely in the number of residents they serve and the types of services they offer.

Broadly speaking, two assisted living models exist in Minnesota. In the residential home model, assisted living facilities serve a few residents in houses built as single-family homes. In the apartment model, facilities serve dozens of residents in apartment-style buildings built specifically to be care facilities. Facilities with five or fewer residents make up about half of all facilities but only about 9 percent of Minnesota’s total assisted living capacity. They are heavily concentrated in the Twin Cities metropolitan area.

Assisted living facility licensing first went into effect on August 1, 2021. MDH is responsible for licensing assisted living facilities and ensuring facilities comply with statutory requirements.

Recommendation ► MDH should improve the accuracy and usefulness of the information on the disclosure forms that assisted living facilities complete. (pp. 41–42)

- MDH posts inspection reports for individual facilities online but does not provide key summary information for consumers and the public. (pp. 42–43)

Recommendation ► MDH should provide online summary information about its inspection findings. (p. 43)

Fragmented Oversight

MDH oversees assisted living *facilities*, while the Board of Executives for Long Term Services and Supports (BELTSS) oversees facility *directors* and DHS oversees Medical Assistance *payments* to facilities.

- MDH does not have sufficient authority to enforce the statutory requirement that assisted living facilities employ licensed assisted living directors. (p. 47)

Recommendation ► The Legislature should consider giving MDH additional authority to monitor compliance with the statutory requirement that facilities employ a licensed assisted living director. (p. 48)

- MDH has not enforced the legal requirement that individuals serving as the director for more than one facility simultaneously must receive BELTSS approval. (pp. 48–49)

Recommendation ► MDH should ensure that assisted living facilities that share a licensed assisted living director have BELTSS approval for the sharing arrangement. (p. 49)

- MDH has not provided DHS with clear information about the license status or capacity of some assisted living facilities, making it challenging for DHS to verify it is paying eligible providers. (pp. 50–52)

Recommendations ► MDH should record clear start and end dates for assisted living facility licenses. MDH should create recordkeeping processes that accurately indicate an assisted living facility’s current and historical resident capacity. (pp. 51, 53)

- DHS processes for verifying Medical Assistance payments for assisted living services may not catch certain types of misbilling. (pp. 53–54)

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. (pp. 54–55)

Summary of Department Responses

In a letter dated September 1, 2026, MDH Deputy Commissioner Wendy Underwood wrote that “MDH greatly values and appreciates [OLA’s] feedback” and that MDH “will use this opportunity to continue to ensure our quality assurance and quality control processes are well-designed, consistent, and effective.” Deputy Commissioner Underwood described actions MDH has taken or will take to address OLA’s recommendations, including coordination with other agencies and potential legislative proposals.

In a letter dated September 1, 2026, DHS Temporary Commissioner John Connolly wrote that DHS “agrees with the three recommendations that involve actions the department can take to improve assisted living services.”