

Children's Residential Facilities (CRF): Implementation plan for 2026 legislative changes

The 2026 Minnesota State Legislature passed several new laws that affect children's residential facilities. This document outlines an overview of each change, instructions for what programs need to do about the change, and the date the change is effective.

The hyperlinks within this document go to where the new laws can be found. When reviewing the new laws:

- Text that is stricken with a line through it reflects words that are being removed from the law.
- Text that is underlined reflects words that are being added to the law.
- Text that is unchanged reflects what the law was before and continues to be the law.

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Effective July 1, 2026

Attestation regarding assistance during application or license renewal

Applicants and license holders that receive public funds must provide an attestation stating whether the applicant or authorized agent received assistance from an unaffiliated business or consultant in preparing: a license application, a renewal application, documentation, or written policies. The commissioner shall not issue a license if an applicant, license holder, or controlling individual has not provided an attestation stating whether the applicant or authorized agent receiving assistance from an unaffiliated business or consultant in preparing: a license application, a renewal application, documentation, or written policies.

The commissioner may deny a license if an applicant or controlling individual does not comply with the new requirement to provide an attestation stating whether the applicant or authorized agent received assistance from an unaffiliate business or consultant.

What license holders need to do

Applicants applying for a new CRF license will need to complete the updated [Applicant Notarized Agreement, Acknowledgement and Verification Form](#). This form now includes an attestation statement regarding the use of an unaffiliated business or consultant in preparing the license application, documentation, or written policies. The attestation will need to be completed with a notarized signature.

If during a licensing review, a licenser determines that a license holder's written policies are missing or need to be updated, the license holder will need to update the identified policy and submit an attestation statement regarding the use of an unaffiliated business or consultant in developing or updating the policy. The attestation will need to be completed with a notarized signature.

[Laws of MN 2026, chapter 121, article 3, sections 7, 8 and 10](#).

[MN Statutes, section 245A.04, subdivision 1, paragraph \(j\)](#)

[MN Statutes, section 245A.05](#)

Definition of individual who is related

The definition of "individual who is related" now includes individuals related through marriage. Programs may continue to operate within the existing definition of individual who is related until the individual related through marriage is no longer receiving services.

What license holders need to do

License holders that are currently providing services to an individual related through marriage may continue to do so. Once that in-law is no longer receiving services, the license holder cannot provide services to any other individuals related through marriage.

Moving forward, licenses will not be issued to individuals who are seeking a license to provide services to an individual related through marriage.

[Laws of MN 2026, chapter 121, article 4, sections 3 and 4](#)

[MN Statutes, section 245A.02, subdivision 13](#)

[MN Statutes, section 245A.03, subdivision 2, paragraph \(d\)](#)

Nasal opiate antagonist standing orders

For licensed programs subject to 245A.242, a standing order protocol from a physician, advanced practice nurse practitioner, or physician assistant is not required for a nasal opiate antagonist (for example, Narcan) to be kept on site. A standing order protocol is still required for administration via intramuscular injection.

What license holders need to do

Update applicable policies and procedures.

[Laws of MN 2026, chapter 121, article 4, section 11.](#)

[MN Statutes, section 245A.242, subd 2.](#)

Maltreatment reporting for Psychiatric Residential Treatment Facilities

Maltreatment in federally certified psychiatric residential treatment facilities (PRTFs) must be reported to the Department of Health (MDH). MDH is the agency responsible for screening and investigating allegations of maltreatment.

What license holders need to do

Reports of maltreatment occurring in psychiatric residential treatment facility should be directed to the Minnesota Department of Health Office of Health Facility Complaints (OHFC) at health.OHFC-Complaints@state.mn.us or by MDH call center at (651) 201-4201. This is an established process that has not changed.

[Laws of MN 2026, chapter 121, article 4, sections 32 to 35.](#)

[MN Statutes, section 260E.03, subd. 6](#)

[MN Statutes, section 260E.11, subd. 1](#)

[MN Statutes, section 260E.14, subd 1](#)

[MN Statutes, section 626.5572, subd 13](#)

Effective October 1, 2026

Change in ownership exception

These sections remove the change of ownership exception for licenses in which at least one controlling individual has been on the license for the previous 12 months and will continue to be on the license.

What license holders need to do

If a license holder sells or transfers 100 percent of their property, stock, or assets, then that is considered a change of ownership and requires the new business owner to apply for a license. There is no longer an exception for situations in which at least one controlling individual has been affiliated with the license for at least the previous 12 months preceding the change.

If all controlling individuals for a license have changed from the original license, then that is considered a change of ownership and requires the new business owner to apply for a license. There is no longer an exception for situations in which at least one controlling individual has been affiliated with the license for at least the previous 12 months.

[Laws of MN 2026, chapter 121, article 4, sections 5, 6, and 37](#)

[MN Statutes, section 245A.043, subdivisions 2 and 2a](#)

[MN Statutes, section 245A.10, subdivision 3a](#) (repealed)

Effective January 1, 2027

Diagnostic assessment: tobacco use

This section updates the required elements of a diagnostic assessment in chapter 245I to identify assessment of tobacco or nicotine product use as part of assessing for substance use disorders.

- Paragraph b, clause 9: Assessing the client's history of mental health and substance use disorder treatment includes but is not limited to treatment for tobacco or nicotine use.
- Paragraph b, clause 11: Assessing the amounts and types of substances include but are not limited to tobacco and nicotine products.
- Paragraph d, clause 3: When completing a standard diagnostic assessment of a client who is 18 years of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) to screen and assess the client for a substance use disorder, including but not limited to tobacco use disorder.

What license holders need to do

Review and update policies, forms, and procedures related to the completion of the diagnostic assessment. Train staff on policies and procedures to ensure tobacco and nicotine products are assessed and diagnosed as indicated in statute.

[Laws of MN 2026, chapter 95, article 5, section 15](#)

[MN Statutes, section 245I.10, subdivision 6](#)

Effective January 1, 2028

Uniform Service Standard licensure of mental health services

Four mental health services that are currently certified will transition to programs licensed by DHS. The Uniform Service Standards (USS) project is a multi-phase reform of the regulatory structure and service standards for Minnesota's mental health care system. The USS project is aligning common standards to reduce administrative burden, refocusing the standards on supporting quality and equitable services, and establishing a unified licensing framework to build accountability and consistency.

The mental health services include:

- Children's therapeutic services and supports (CTSS)
- Adult rehabilitative mental health services (ARMHS)
- Crisis response services (also known as mobile crisis)
- Certified community behavioral health clinics (CCBHC)

Currently certified providers will apply for a license and must meet license requirements, including license fees, background studies, and maltreatment reporting.

As part of the USS changes, the application fee for mental health clinic certification was increased to \$2,100. This change is effective January 1, 2028.

[Laws of MN 2026, chapter 121, article 7, sections 1-55](#)

[MN Statutes, Chapter 245I](#)

What license holders need to do

If your program is subject to the requirements in Chapter 245I, be aware of the upcoming changes. DHS will provide more information on the implementation of the USS licensure for the four currently certified programs in the upcoming months.

Additional information

Change of ownership during a license moratorium

This update states that a change of ownership is not subject to a licensing moratorium if the change does not result in an increase in licensed capacity or service scope.

[Laws of MN, chapter 121, article 3, section 7.](#)

[Amends Minnesota Statutes, section 245A.04 subd 1.](#)

Effective date: July 1, 2026

Temporary immediate suspensions

This section establishes a preponderance of evidence as the burden of proof for temporary immediate suspension hearings in which the license holder or controlling individual is the subject of a pending administrative, civil, or criminal investigation or is subject to an administrative or civil action related to fraud against a program administered by a state or federal agency. It also added authority for DHS to issue a suspension if the temporary immediate suspension time period has expired and there continues to be a pending investigation or action related to fraud against a program administered by a state or federal agency.

[Laws of MN, chapter 121, article 4, sections 7 and 8](#)

[MN Statutes, section 245A.07, subdivisions 2a and 3](#)

Effective date: July 1, 2026

Expanded payment withhold authority

This section expands authority to withhold payment for instances where individuals or entities are convicted of a crime involving fraud or theft against a program administered by another state or federal agency; a provider is operating after suspension or revocation of their license; or the provider has a background study disqualification.

[Laws of MN 2026, chapter 121, article 4, section 2](#)

[MN Statutes, section 245.095, subdivision 5](#)

Effective date: July 1, 2026

Continuity of care

DHS has established a process to notify lead agencies when an administrative action has been taken.

[Laws of MN 2026, chapter 121, article 1, section 1](#)

Effective date: July 1, 2026

Notice after issuing a residential license

The commissioner must give written notice to an affected municipality or other political subdivision no later than five working days after issuing a license to a permitted single-family residence. The written notice must include the prospective license holder's name and contact information, the license type and capacity, and the proposed address of the licensed facility or program. Programs that are considered permitted single-family residence use are residential programs with a licensed capacity of six or fewer persons or a non-residential program with a licensed capacity of twelve or fewer persons. (Minnesota Statutes, sections [245A.11](#) and [245A.14](#)).

[Laws of MN, chapter 121, article 9, section 2](#)

[MN Statutes, sections 245A.04, subd 2](#)

Effective date: July 1, 2026

Crisis nurseries regulatory framework

The session law directs Department of Children, Youth, and Families (DCYF) and DHS to develop a licensing framework for crisis nurseries, work with stakeholders, and develop a report.

[Laws of MN 2026, chapter 127, article 10, section 2](#)

Effective date: July 1, 2026

Recodification of 245A.03

This language recodifies existing language from section 245A.03, subdivision 7 and reorganizes it into three subdivisions. It does not change DHS' practices or expectations from license holders.

[Laws of MN 2026, chapter 95, article 4, sections 1-4, and 41](#)

[MN Statutes, section 245A.03](#)

Effective date: August 1, 2026

Prohibition on terminating a program, waiver, or benefit

The commissioner may not terminate a medical assistance program, waiver, or benefit or request federal assistance to do so without prior legislative authorization.

[Laws of MN 2026, chapter 95, article 9, sections 4 and 5](#)

[MN Statutes, section 256B.04, subdivisions 24a and 24b](#)

Effective date: August 1, 2026