

Home and community-based services (HCBS): Implementation plan for 2026 legislative changes

The 2026 Minnesota State Legislature passed several new laws that affect home and community-based services. This document outlines an overview of each change, instructions for what license holders 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.

Contents

Positive support analyst qualifications..... 4

Limit on rights restrictions..... 4

Policies and procedures..... 5

Attestation regarding assistance during application or license renewal 5

Definition of individual who is related 6

Annual training 6

Developmentally appropriate activities for minor children 7

Financial accounts for housing 8

Service suspension 9

Service termination 9

Change of ownership exception..... 10

Codifying the Office of Inspector General..... 10

Maltreatment investigations related to grooming..... 11

Continuity of care 11

Change of ownership during a license moratorium 11

HCBS early and often team 11

HCBS provider support and technical assistance team..... 12

Expanded payment withhold authority..... 12

Temporary immediate suspensions 12

HCBS license renewal fees..... 13

Notice after issuing a residential license..... 13

Limits on locations for licensed residential programs..... 13

Monitoring location requirements for licensed residential programs..... 14

Integrated community supports reform study..... 14

Recodification of 245A.03	14
Vulnerable Adult Act updates for county social services	15
Prohibition on terminating a program, waiver, or benefit.....	15
Local inspections for residential programs	15
Moratorium for integrated community supports	16
Interpretative guidelines for waiver services	16

Effective the day following final enactment

Positive support analyst qualifications

Overview

Behavior analysts must be licensed. Board-certified assistant behavior analysts must be certified by the Behavior Analyst Certification Board, Inc.

What license holders need to do

License holders must ensure that behavior analysts are licensed and that board-certified assistant behavior analysts are certified by the Behavior Analyst Certification Board, Inc.

[Laws of MN 2026, chapter 95, article 4, section 10](#)

[MN Statutes, section 245D.091, subdivision 3](#)

Limit on rights restrictions

Overview

A person living in a licensed residential site (adult foster care (AFC), community residential setting (CRS), or child foster residence setting (CFRS)) should never have a rights restriction that prevents access to a clean, safe setting that meets State Fire Code residential occupancy requirements.

What license holders need to do

License holders must ensure that a person living in a licensed residential site (AFC, CRS, or CFRS) has a right to a setting that is:

- Clean and free from a buildup of dirt, grease, garbage, peeling paint, mold, pests, and insects;
- Free from hazards that threaten the person's health or safety; and
- A dwelling unit as defined in the State Fire Code.

License holders are responsible for ensuring the three rights listed above are not restricted.

[Laws of MN 2026, chapter 121, article 4, section 23](#)

[MN Statutes, section 245D.04, subdivision 3](#)

Policies and procedures

Overview

A 245D license holder must inform an individual's legal representative of the policies and procedures affecting the person's rights and provide copies of them within five working days of the start of a service. This section clarifies that a license holder providing basic services and supports must inform the individual, their legal representative, and their case manager about the license holder's policies and procedures regarding the emergency use of manual restraints and provide copies of them within five working days of the start of a service.

What license holders need to do

Within five working days of the start of basic and intensive support services, a license holder must provide copies of the policies and procedures affecting a person's rights, including the policy and procedures regarding the emergency use of manual restraints, to:

- The individual,
- The individual's legal representative, and
- The individual's case manager.

[Laws of MN 2026, chapter 121, article 4, section 24](#)

[MN Statutes, section 245D.10, subdivision 4](#)

Effective July 1, 2026

Attestation regarding assistance during application or license renewal

Overview

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, 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 received assistance from an unaffiliated business or consultant in preparing: a license application, documentation, or written policies.

What license holders need to do

Applicants applying for a new 245D 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 licensor determines that a license holder's written policies are missing or need to be updated, the license holder will need to update any 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, section 7](#)

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

Definition of individual who is related

Overview

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](#)

Effective August 1, 2026

Annual training

Overview

License holders providing 245D services may delay annual training by up to 90 calendar days following the date staff would otherwise be required to take the training.

What license holders need to do

In the past, annual training needed to be completed prior to or within the same month as the previous calendar year.

Now, license holders can provide annual training up to 90 calendar days after the month it would have been due.

For example, in the past, if an annual training was completed on April 3, 2026, it would have been due on April 30, 2027. Now, if annual training was completed on April 3, 2026, it is due on or before July 29, 2027.

The Department of Human Services (DHS) sample form titled Staff Annual Training Record will be updated to reflect the new timeline.

[Laws of MN 2026, chapter 95, article 4, section 8](#)

[MN Statutes, section 245D.09, subdivision 5](#)

Developmentally appropriate activities for minor children

Overview

These sections establish rights and corresponding restrictions for minor children receiving 245D services related to developmentally appropriate activities and reasonable and prudent parenting.

What license holders need to do

License holders must ensure that service recipients younger than 18 years old have a right to:

- Participate in activities or events that are generally accepted as suitable for minor children of the same age or are developmentally appropriate; and
- Receive reasonable and prudent parenting.

“Developmentally appropriate” means, for a person under 18 years of age, activities or items that are determined to be developmentally appropriate based on the development of a person’s cognitive, emotional, physical, and behavioral capacities that are typical for the person’s age or age group.

“Reasonable and prudent parenting” means, for a person under 18 years of age, the standards characterized by careful and sensible parenting decisions that maintain a person’s health and safety; cultural, religious, and Tribal values; and best interests while encouraging the person’s emotional and developmental growth.

The following rights may be restricted and must be documented according to 245D.04, subdivision 3, paragraph (c) for a person younger than 18 years old only if necessary to ensure the health, safety, and well-being of the person or pursuant to reasonable and prudent parenting standards:

- Associate with other people of the person’s choice in the community;
- Have personal privacy, including the right to use the lock on the person’s bedroom or unit door;
- Engage in chosen activities;
- Have access to the person’s personal possessions at any time, including financial resources;
- Have daily, private access to and use of a telephone;

- Receive and send, without interference, uncensored, unopened mail or electronic correspondence or communication;
- Have use of and free access to common areas in the residence and the freedom to come and go from the residence at will; and
- Choose the person's visitors and time of visits and have privacy for visits with the person's spouse, next of kin, legal counsel, religious advisor, or others, in accordance with section 363A.09 of the Human Rights Act, including privacy in the person's bedroom.

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

[MN Statutes, section 245D.04, subdivisions 3 and 4](#)

Financial accounts for housing

Overview

License holders and controlling individuals who own, lease, or have a direct or indirect financial relationship with the property owner of a multifamily housing building must deposit housing funding into dedicated accounts and provide monthly statements showing account activity.

What license holders need to do

There are requirements for license holders or any controlling individual when they are paid by a service recipient (or an entity acting on the service recipient's behalf) for housing in a multifamily building where the license holder delivers 245D licensed services.

The following requirements apply in situations where the license holder owns, leases, or has a direct or indirect financial relationship with the property owner and is being paid by a service recipient for housing as detailed above.

License holders meeting the above criteria must for each service recipient:

- Keep accurate accounts of all money the license holder receives from the service recipient (or an entity acting on the service recipient's behalf);
- Deposit all money received in a specific service recipient account or subaccount dedicated to receiving and paying each service recipient's housing costs directly to the property owner, even if the property owner is the license holder;
- Provide statements monthly and upon demand to the service recipient (or the entity acting on the service recipient's behalf) and the service recipient's case manager. The statement must list the amount of all money received from the service recipient (or entity acting on the service recipient's behalf), all money deposited in the service recipient's account, and all withdrawals made from the service recipient's account; and
- Provide upon demand to DHS a statement of the amount of all money received from the service recipient (or entity acting on the service recipient's behalf), all money deposited in the service recipient's account, and all withdrawals made from the service recipient's account.

License holders must ensure that the money in the service recipient's account is used exclusively for expenses associated with the service recipient obtaining or maintaining housing in a multifamily building.

License holders must continue to comply with these requirements when a service recipient chooses to not receive services from the license holder but continues to make payments to the license holder for the purposes of obtaining or maintaining housing.

These requirements are separate from the requirements in [section 245A.04, subdivision 13](#) regarding the safekeeping of funds or property for a person served by the program. The requirements for safekeeping of funds or property still apply.

DHS will provide a sample form to track these requirements in the coming months.

[Laws of MN 2026, chapter 95, article 8, section 1](#)

Service suspension

Overview

245D services cannot be suspended in situations where a person's public benefits have been interrupted for less than 60 days. That situation does not qualify as a nonpayment and is not eligible for a suspension of 245D services.

Integrated community supports (ICS) providers must notify the commissioner in writing when they intend to temporarily suspend services.

What license holders need to do

License holders cannot issue a service suspension for nonpayment if a person's public benefits have been interrupted for less than 60 days.

As of July 1, 2026, ICS providers must use the following form to report service suspensions to DHS: [Notice of Temporary Service Suspension, DHS-2828C \(PDF\)](#).

[Laws of MN 2026, chapter 95, article 8, section 2](#)

[MN Statutes, section 245D.10, subdivision 3](#)

Service termination

Overview

245D services cannot be terminated in situations where a person's public benefits have been interrupted for less than 60 days. That situation does not qualify as a nonpayment and is not eligible for a termination of 245D services.

ICS providers must notify the commissioner in writing when they intend to end services.

What license holders need to do

License holders cannot issue a service termination for nonpayment if a person's public benefits have been interrupted for less than 60 days.

As of July 1, 2026, ICS providers must use the following form to report service terminations to DHS: [Notice of Service Termination, DHS-2828D \(PDF\)](#).

[Laws of MN 2026, chapter 95, article 8, section 3](#)

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

Effective October 1, 2026

Change of ownership exception

Overview

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.

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)

Additional information

Codifying the Office of Inspector General

DHS must provide statutory language that codifies the DHS Office of Inspector General.

[Laws of MN 2026, chapter 121, article 11, section 6](#)

Effective the day following final enactment

Maltreatment investigations related to grooming

DHS has the authority to assess and investigate a report of alleged grooming that occurred more than three years prior to the date of the report. Grooming includes expressing the desire or intent to engage in sexual conduct with a child and engaging in a false trusting relationship with a child that is intended to strategically manipulate the child to engage in sexual conduct at a future time, regardless of whether any sexual conduct occurs.

[Laws of MN 2026, chapter 108, section 4](#)

[MN Statutes, section 260E.15](#)

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

Change of ownership during a license moratorium

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

[Laws of MN 2026, chapter 121, article 3, section 7](#)

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

Effective date: July 1, 2026

HCBS early and often team

The legislature established a Home and Community-based Services (HCBS) early and often licensing and compliance team. The team will assist applicants through the application process and visit programs early and often, providing technical assistance and guidance several times throughout the first 18 months of operation.

[Laws of MN 2026, chapter 121, article 3, section 9](#)

[MN Statutes, section 245A.042, subdivision 7](#)

Effective date: July 1, 2026

HCBS provider support and technical assistance team

The legislature established a support and technical assistance team for HCBS providers. The HCBS provider support and technical assistance team will:

- Serve as a contact and help desk for questions;
- Develop training and onboarding materials;
- Collect data on challenges;
- Coordinate with various teams within DHS; and
- Make recommendations regarding how to improve the delivery of services and program integrity.

[Laws of MN 2026, chapter 121, article 3, section 13](#)

[MN Statutes, section 256.01, subdivision 46](#)

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

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 2026, chapter 121, article 4, sections 7 and 8](#)

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

Effective date: July 1, 2026

HCBS license renewal fees

This section fixes a technical error in the HCBS license renewal fees related to revenue categories.

[Laws of MN 2026, chapter 121, article 4, section 9](#)

[MN Statutes, section 245A.10, subdivision 4](#)

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.

[Laws of MN 2026, chapter 121, article 9, section 2](#)

[MN Statutes, section 245A.04, subdivision 2](#)

Effective date: July 1, 2026

Limits on locations for licensed residential programs

This section places restrictions on issuing licenses for residential programs based on how close they are to other licensed residential programs. It applies to the following residential settings:

- Community residential settings;
- Adult foster care homes;
- Settings providing customized living services with a resident capacity of six or fewer;
- Settings providing 24-hour customized living services with a resident capacity of six or fewer; and
- Licensed assisted living facilities with a resident capacity of six or fewer.

DHS and Minnesota Department of Health (MDH) must not issue an initial license for the residential settings listed above unless the setting meets the standards described in this section. Newly licensed settings (listed above) must not be located on the same property or on an adjoining property of any existing community residential setting, adult foster care setting, setting providing family residential services to an adult, setting providing customized living services (with a resident capacity of six or fewer), setting providing 24-hour customized living services (with a resident capacity of six or fewer), or any assisted living facility (with a resident capacity of six or fewer). These requirements apply regardless of who owns or controls the existing setting.

DHS must comply with [section 245A.11, subdivision 4](#).

“Adjoining property” means a property that shares a common boundary line with another property. Adjoining property also includes properties that meet at a common corner point. The presence of a right-of-way or public

easement, including but not limited to a bike path, alley or residential street, between adjoining properties, including between properties that but for the right-of-way or public easement would share a common corner point, are adjoining properties.

[Laws of MN 2026, chapter 121, article 9, section 4](#)

[MN Statutes, section 245A.042, subdivision 7](#)

Effective date: July 1, 2026

Monitoring location requirements for licensed residential programs

DHS and MDH must complete an interagency agreement for DHS to monitor location requirements for assisted living facilities.

[Laws of MN 2026, chapter 121, article 9, section 6](#)

[MN Statutes, section 256.01, subdivision 21](#)

Effective date: July 1, 2026

Integrated community supports reform study

The session law directs the commissioner to review ICS. The commissioner must:

- Evaluate the need for statutory, regulatory, and program reforms for ICS;
- Consult with the community while reviewing ICS;
- Develop recommendations for legislative and administrative changes to strengthen ICS; and
- Submit reports to the legislature that include findings, community feedback, and legislative proposals related to ICS reform.

[Laws of MN 2026, chapter 121, article 9, section 55](#)

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

Vulnerable Adult Act updates for county social services

These sections update the Vulnerable Adult Act, particularly as it relates to county social service agency responsibilities.

[Laws of MN 2026, chapter 95, article 7, sections 7-27](#)

[MN Statutes, section 626.557](#)

[MN Statutes, section 626.5572](#)

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

Local inspections for residential programs

At the request of a county or local unit of government, DHS may delegate authority to a county or local unit of government to inspect an existing residential program serving six or fewer persons for compliance with zoning ordinances and physical plant licensing requirements. If DHS delegates this authority:

- DHS must complete a formal delegation of authority that clearly specifies what authority is being delegated to the county agency or local unit of government;
- DHS is responsible for any costs associated with conducting these inspections;
- The county agency or local unit of government must not charge any additional fees for conducting an inspection under delegated authority;
- The county or local unit of government must provide the subject of the inspection with a copy of the delegation of authority;
- The county or local unit of government and the agency responsible for licensing inspections must coordinate inspections to minimize visits to and disruptions of the residential program;
- The county or local unit of government conducting an inspection must notify DHS of any violations or concerns within 10 working days of the inspection; and
- The county or local unit of government conducting these inspections must not inspect a residential program more frequently than annually, except a follow-up inspection is permitted before the next annual inspection to verify correction of a violation discovered during the most recent inspection.

The commissioner must ensure that laws, rules, and codes are uniformly enforced throughout the state by reviewing each county and local unit of government conducting inspections at least every four years.

[Laws of MN 2026, chapter 121, article 9, section 3](#)

[MN Statutes, section 245A.04, subdivision 2a](#)

Effective date: January 1, 2027

Moratorium for integrated community supports

These sections establish a moratorium for ICS. DHS will not issue new licenses for or approve adding ICS to an existing license unless the following exception criteria are met:

- The applicant or license holder meets all setting capacity report requirements;
- The request is not superseded by a temporary licensing moratorium;
- The applicant or license holder demonstrates indirect control of the setting;
- The applicant or license holder submits documentation demonstrating compliance with:
 - Federal and state home and community-based services requirements for provider-controlled settings;
 - The prohibition on the use of Medicaid money for room and board;
 - Independent lease requirements; and
 - All license requirements applicable to ICS.

DHS must consider statewide and regional capacity for ICS based on a needs determination process when assessing whether to approve an exception. To approve an exception, DHS must determine the lead agency has requested the additional capacity to meet the specific disability-related needs of the person. DHS' determination is final and not subject to appeal.

DHS is not authorized to remove approval of a previously approved setting following a change of ownership.

[Laws of MN 2026, chapter 121, article 9, sections 5 and 39](#)

[MN Statutes, section 245D.12](#)

[MN Statutes, section 256B.492, subdivision 4](#)

Effective date: January 1, 2027

Interpretative guidelines for waiver services

DHS must develop and publish interpretive guidelines within 120 days of the effective date of any statutory changes, waiver plan amendments, state or federal administrative rulings, or state or federal court decisions that affect policies or reimbursement for 245D services.

Interpretative guidelines do not have the force and effect of law, and they do not set precedent. The interpretative guidelines may be relied on by consumers, service providers, county agencies, DHS, and others until modified.

DHS may modify an interpretive guideline or issue another interpretive guideline, but DHS may not modify an interpretive guideline retroactively to the disadvantage of consumers, service providers, county agencies, DHS, or others concerned. If there are changes in the law or an interpretation of the law after the interpretive guideline is issued, then the guideline will be modified.

[Laws of MN 2026, chapter 121, article 9, section 11](#)

[MN Statutes, section 256B.04, subdivision 28](#)

Effective date: July 1, 2028