

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3733

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DATE	D-PG	OFFICIAL STATUS
02/23/2026	6360	Introduction and first reading Referred to Human Services
03/05/2026	6513a	Comm report: To pass as amended and re-refer to State and Local Government See SF476

1.1 A bill for an act

1.2 relating to health; modifying method of deposit of fines collected related to home

1.3 care licensing surveys and investigations; modifying criteria for appointment to

1.4 home care and assisted living program advisory council; establishing special

1.5 projects grant program for home care providers; appropriating money; amending

1.6 Minnesota Statutes 2025 Supplement, sections 144A.474, subdivision 11;

1.7 144A.4799, subdivision 1.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2025 Supplement, section 144A.474, subdivision 11, is

1.10 amended to read:

1.11 Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed

1.12 based on the level and scope of the violations described in paragraph (b) and imposed

1.13 immediately with no opportunity to correct the violation first as follows:

1.14 (1) Level 1, no fines or enforcement;

1.15 (2) Level 2, a fine of \$500 per violation, in addition to any of the enforcement

1.16 mechanisms authorized in section 144A.475;

1.17 (3) Level 3, a fine of \$1,000 per incident, in addition to any of the enforcement

1.18 mechanisms authorized in section 144A.475;

1.19 (4) Level 4, a fine of \$3,000 per incident, in addition to any of the enforcement

1.20 mechanisms authorized in section 144A.475;

1.21 (5) Level 5, a fine of \$5,000 per violation, in addition to any enforcement mechanism

1.22 authorized in section 144A.475; and

2.1 (6) for maltreatment violations for which the licensee was determined to be responsible
2.2 for the maltreatment under section 626.557, subdivision 9c, paragraph (cS), a fine of \$1,000.
2.3 A fine of \$5,000 may be imposed if the commissioner determines the licensee is responsible
2.4 for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury.

2.5 The fines in clauses (1) to (5) are increased and immediate fine imposition is authorized
2.6 for both surveys and investigations conducted.

2.7 When a fine is assessed against a facility for substantiated maltreatment, the commissioner
2.8 shall not also impose an immediate fine under this chapter for the same circumstance.

2.9 (b) Correction orders for violations are categorized by both level and scope and fines
2.10 shall be assessed as follows:

2.11 (1) level of violation:

2.12 (i) Level 1 is a violation that will cause only minimal impact on the client and does not
2.13 affect health or safety;

2.14 (ii) Level 2 is a violation that did not harm a client's health or safety but had the potential
2.15 to have harmed a client's health or safety, but was not likely to cause serious injury,
2.16 impairment, or death;

2.17 (iii) Level 3 is a violation that harmed a client's health or safety, or a violation that had
2.18 the potential to cause more than minimal harm to the client;

2.19 (iv) Level 4 is a violation that harmed a client's health or safety, not including serious
2.20 injury or death, or a violation that was likely to lead to serious injury or death; and

2.21 (v) Level 5 is a violation that results in serious injury or death; and

2.22 (2) scope of violation:

2.23 (i) isolated, when one or a limited number of clients are affected or one or a limited
2.24 number of staff are involved or the situation has occurred only occasionally;

2.25 (ii) pattern, when more than a limited number of clients are affected, more than a limited
2.26 number of staff are involved, or the situation has occurred repeatedly but is not found to be
2.27 pervasive; and

2.28 (iii) widespread, when problems are pervasive or represent a systemic failure that has
2.29 affected or has the potential to affect a large portion or all of the clients.

2.30 (c) If the commissioner finds that the applicant or a home care provider has not corrected
2.31 violations by the date specified in the correction order or conditional license resulting from

3.1 a survey or complaint investigation, the commissioner shall provide a notice of
3.2 noncompliance with a correction order by email to the applicant's or provider's last known
3.3 email address. The noncompliance notice must list the violations not corrected.

3.4 (d) For every violation identified by the commissioner, the commissioner shall issue an
3.5 immediate fine pursuant to paragraph (a). The license holder must still correct the violation
3.6 in the time specified. The issuance of an immediate fine can occur in addition to any
3.7 enforcement mechanism authorized under section 144A.475. The immediate fine may be
3.8 appealed as allowed under this subdivision.

3.9 (e) The license holder must pay the fines assessed on or before the payment date specified.
3.10 If the license holder fails to fully comply with the order, the commissioner may issue a
3.11 second fine or suspend the license until the license holder complies by paying the fine. A
3.12 timely appeal shall stay payment of the fine until the commissioner issues a final order.

3.13 (f) A license holder shall promptly notify the commissioner in writing when a violation
3.14 specified in the order is corrected. If upon reinspection the commissioner determines that
3.15 a violation has not been corrected as indicated by the order, the commissioner may issue a
3.16 second fine. The commissioner shall notify the license holder by mail to the last known
3.17 address in the licensing record that a second fine has been assessed. The license holder may
3.18 appeal the second fine as provided under this subdivision.

3.19 (g) A home care provider that has been assessed a fine under this subdivision has a right
3.20 to a reconsideration or a hearing under this section and chapter 14.

3.21 (h) When a fine has been assessed, the license holder may not avoid payment by closing,
3.22 selling, or otherwise transferring the licensed program to a third party. In such an event, the
3.23 license holder shall be liable for payment of the fine.

3.24 (i) In addition to any fine imposed under this section, the commissioner may assess a
3.25 penalty amount based on costs related to an investigation that results in a final order assessing
3.26 a fine or other enforcement action authorized by this chapter.

3.27 (j) Fines collected under paragraph (a) shall be deposited in a dedicated special revenue
3.28 account. ~~On an annual basis, the balance in the special revenue account shall be appropriated~~
3.29 ~~to the commissioner to implement the recommendations of the advisory council established~~
3.30 ~~in section 144A.4799.~~ Money deposited in the account is appropriated to the commissioner
3.31 on an annual basis for a competitive grant program for special projects for improving home
3.32 care client quality of care and outcomes in Minnesota, with a specific focus on workforce
3.33 and clinical outcomes, including projects consistent with criteria in section 144A.4799,
3.34 subdivision 3, paragraph (c). Grants must be distributed to home care providers licensed

4.1 under this chapter or organizations with experience in or knowledge of home care operations,
4.2 compliance, client needs, or best practices. Each grant must be \$1,000 at minimum. A
4.3 provider with a temporary license under this chapter is not eligible to apply for a grant. The
4.4 commissioner may retain up to ten percent of the amount available to cover costs to
4.5 administer the grant under this section. The commissioner must publish on the department's
4.6 website an annual report on the fines assessed and collected, and how the appropriated
4.7 money was allocated.

4.8 Sec. 2. Minnesota Statutes 2025 Supplement, section 144A.4799, subdivision 1, is amended
4.9 to read:

4.10 Subdivision 1. **Membership.** (a) The commissioner of health shall appoint 14 persons
4.11 to a home care and assisted living advisory council consisting of the following:

4.12 (1) four public members as defined in section 214.02, one of whom must be a person
4.13 who either is receiving or has received home care services preferably within the five years
4.14 prior to initial appointment, one of whom must be a person who has or had a family member
4.15 receiving home care services preferably within the five years prior to initial appointment,
4.16 one of whom must be a person who either is or has been a resident in an assisted living
4.17 facility preferably within the five years prior to initial appointment, and one of whom must
4.18 be a person who has or had a family member residing in an assisted living facility preferably
4.19 within the five years prior to initial appointment;

4.20 (2) two Minnesota home care licensees representing basic and comprehensive levels of
4.21 licensure who may be a managerial official, an administrator, a supervising registered nurse,
4.22 or an unlicensed personnel performing home care tasks;

4.23 (3) one member representing the Minnesota Board of Nursing;

4.24 (4) one member representing the Office of Ombudsman for Long-Term Care;

4.25 (5) one member representing the Office of Ombudsman for Mental Health and
4.26 Developmental Disabilities;

4.27 (6) one member of a county health and human services or county adult protection office;

4.28 (7) two Minnesota assisted living facility licensees representing assisted living facilities
4.29 and assisted living facilities with dementia care levels of licensure who may be the facility's
4.30 assisted living director, managerial official, or clinical nurse supervisor;

4.31 (8) one organization representing long-term care providers, home care providers, and
4.32 assisted living providers in Minnesota; and

5.1 (9) one representative of a consumer advocacy organization representing individuals
5.2 receiving long-term care from licensed home care providers or assisted living facilities.

5.3 (b) When a vacancy occurs for an appointment identified in paragraph (a), the
5.4 commissioner must select an applicant for appointment within 81 calendar days of the
5.5 position being posted by the secretary of state, if the application of a qualified and, if
5.6 applicable, a licensee in good standing applicant is received within 21 days of posting. If
5.7 no qualified applications are received within the first 21 days, the commissioner must select
5.8 an applicant for appointment within 60 calendar days of receiving the application of a
5.9 qualified and, if applicable, a licensee in good standing applicant.

5.10 **Sec. 3. SPECIAL PROJECTS GRANT PROGRAM FOR HOME CARE**
5.11 **PROVIDERS.**

5.12 By December 31, 2028, the commissioner of health must distribute the balance as of
5.13 January 1, 2027, in the special revenue account under Minnesota Statutes, section 144A.474,
5.14 subdivision 11, paragraph (j), under a competitive grant program for special projects for
5.15 improving home care client quality of care and outcomes in Minnesota, with a specific focus
5.16 on workforce and clinical outcomes, including projects consistent with criteria in Minnesota
5.17 Statutes, section 144A.4799, subdivision 3, paragraph (c). Grants must be distributed to
5.18 home care providers licensed under Minnesota Statutes, chapter 144A, or organizations
5.19 with experience in or knowledge of home care operations, compliance, client needs, or best
5.20 practices. Each grant must be \$1,000 at minimum. A provider with a temporary license
5.21 under Minnesota Statutes, chapter 144A, is not eligible to apply for a grant. Any amount
5.22 that has not been awarded as a grant by December 31, 2028, must be used for the annual
5.23 distributions under Minnesota Statutes, section 144A.474, subdivision 11, paragraph (j),
5.24 beginning January 1, 2029.