

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2522

(SENATE AUTHORS: MANN and Mohamed)

DATE	D-PG	OFFICIAL STATUS
03/13/2025	Introduction and first reading Referred to Human Services	

1.1A bill for an act

1.2relating to health facilities; prohibiting certain conditions for admission to or

1.3continued residence in certain facilities; requiring review and approval of increases

1.4in amounts charged by assisted living facilities; prohibiting termination or

1.5nonrenewal of assisted living contracts on certain grounds; modifying provisions

1.6governing arbitration in assisted living contracts; amending Minnesota Statutes

1.72024, sections 144G.09, subdivision 2; 144G.19, by adding a subdivision; 144G.40,

1.8by adding a subdivision; 144G.51; 144G.52, by adding a subdivision; 144G.53;

1.9245D.10, by adding a subdivision; proposing coding for new law in Minnesota

1.10Statutes, chapters 144A; 144G.

1.11BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.12Section 1. [144A.104] PROHIBITED CONDITION FOR ADMISSION OR

1.13CONTINUED RESIDENCE.

1.14A nursing home is prohibited from requiring a current or prospective resident to have

1.15or obtain a guardian or conservator as a condition of admission to or continued residence

1.16in the nursing home.

1.17Sec. 2. Minnesota Statutes 2024, section 144G.09, subdivision 2, is amended to read:

1.18Subd. 2. **Regulatory functions.** (a) The commissioner shall:

1.19(1) license, survey, and monitor without advance notice assisted living facilities in

1.20accordance with this chapter and rules;

1.21(2) survey every provisional licensee within one year of the provisional license issuance

1.22date subject to the provisional licensee providing assisted living services to residents;

1.23(3) survey assisted living facility licensees at least once every two years;

- 2.1 (4) investigate complaints of assisted living facilities;
- 2.2 (5) issue correction orders and assess civil penalties under sections 144G.30 and 144G.31;
- 2.3 (6) take action as authorized in section 144G.20; ~~and~~
- 2.4 (7) approve or disapprove proposed increases in amounts charged for housing or assisted
- 2.5 living services under sections 144G.19, subdivision 5, and 144G.40, subdivision 4; and
- 2.6 ~~(7)~~ (8) take other action reasonably required to accomplish the purposes of this chapter.
- 2.7 (b) The commissioner shall review blueprints for all new facility construction and must
- 2.8 approve the plans before construction may be commenced.
- 2.9 (c) The commissioner shall provide on-site review of the construction to ensure that all
- 2.10 physical environment standards are met before the facility license is complete.

2.11 Sec. 3. Minnesota Statutes 2024, section 144G.19, is amended by adding a subdivision to

2.12 read:

2.13 **Subd. 5. Change of ownership; increase in amount charged for housing or**

2.14 **services.** (a) Following a change of ownership, the new licensee must honor the terms of

2.15 an assisted living contract in effect at the time of the change of ownership until the contract

2.16 expires. A new licensee that proposes to increase the amount charged for housing or assisted

2.17 living services in an assisted living contract replacing a contract in effect at the time of the

2.18 change of ownership must provide the commissioner with justification for and specific

2.19 documentation supporting the proposed increase.

2.20 (b) The commissioner must review the justification and documentation provided under

2.21 paragraph (a) and approve or disapprove the proposed increase. The commissioner may

2.22 request from the new licensee additional documentation or information the commissioner

2.23 deems necessary to conduct the review. An assisted living facility must not implement a

2.24 proposed increase described in paragraph (a) unless the commissioner approves the proposed

2.25 increase.

2.26 Sec. 4. Minnesota Statutes 2024, section 144G.40, is amended by adding a subdivision to

2.27 read:

2.28 **Subd. 4. Increase in amount charged for housing or services.** (a) If an assisted living

2.29 facility proposes to increase the amount charged for housing or assisted living services by

2.30 an amount that exceeds the change in the Consumer Price Index for All Urban Consumers

2.31 published by the federal Bureau of Labor Statistics, for the most recent 12-month period

for which data is available, the assisted living facility must provide the commissioner with justification for and specific documentation supporting the proposed increase.

(b) The documentation required under paragraph (a) must include:

(1) data on operational costs, including but not limited to the cost of staffing, utilities, maintenance, and other day-to-day expenses necessary to operate the facility;

(2) data on the proposed imposition of any new fees, but is not limited to a raw food fee, community fee, pharmacy choice or coordination fee, hospice choice or coordination fee, or activities fee;

(3) the facility's balance sheet, including projected revenues and expenses for the next fiscal year;

(4) data on costs related to compliance with new regulatory requirements, including but not limited to health and safety requirements;

(5) data on capital improvements to, upgrades to, or expansion of the facility, including but not limited to building renovations or new construction;

(6) a comparison of the facility's costs and fees and the costs and fees of similar facilities in the region where the facility is located;

(7) data on whether the facility's residents have increased needs or are requesting new amenities; and

(8) the percentage of revenue devoted to administrative costs and the percentage of revenue devoted to marketing costs.

(c) The commissioner must review the justification and documentation provided under paragraph (a) and approve or disapprove the proposed increase. The commissioner may request from the facility additional documentation or information the commissioner deems necessary to conduct the review. An assisted living facility must not implement a proposed increase described in paragraph (a) unless the commissioner approves the proposed increase.

(d) If the commissioner approves the proposed increase, approval must be conditioned on the facility maintaining or improving the quality of care it provides, including but not limited to hiring additional staff, improving staff training, updating medical equipment, or upgrading physical environment elements of the facility.

4.1 Sec. 5. **[144G.505] PROHIBITED CONDITION OF ADMISSION OR CONTINUED**
4.2 **RESIDENCE.**

4.3 An assisted living facility is prohibited from requiring a current or prospective resident
4.4 to have or obtain a guardian or conservator as a condition of admission to or continued
4.5 residence in the assisted living facility.

4.6 Sec. 6. Minnesota Statutes 2024, section 144G.51, is amended to read:

4.7 **144G.51 ARBITRATION.**

4.8 (a) An assisted living facility ~~must clearly and conspicuously disclose, in writing in an~~
4.9 ~~assisted living contract, any arbitration provision in the contract that precludes, limits, or~~
4.10 ~~delays the ability of a resident from taking a civil action.~~ is prohibited from:

4.11 (1) requiring mandatory arbitration to resolve contractual or other disputes; or

4.12 (2) requiring a current or prospective resident, as a condition of admission to or continued
4.13 residence in the facility, to agree to use arbitration to resolve contractual or other disputes.

4.14 (b) The use of arbitration to resolve a contractual or other dispute must be optional for
4.15 the resident. Any optional arbitration provision must be contained in a separate writing as
4.16 an addendum to the assisted living contract, together with a conspicuous notice that arbitration
4.17 is optional and cannot be a condition of admission or continued residence. An arbitration
4.18 agreement that violates this paragraph is void and unenforceable.

4.19 ~~(b)~~ (c) An optional arbitration requirement provision must not include a choice of law
4.20 or choice of venue provision. Assisted living contracts must adhere to Minnesota law and
4.21 any other applicable federal or local law.

4.22 Sec. 7. Minnesota Statutes 2024, section 144G.52, is amended by adding a subdivision to
4.23 read:

4.24 Subd. 5a. **Impermissible ground for termination.** A facility must not terminate an
4.25 assisted living contract on the ground that the resident changes from using private funds to
4.26 using public funds to pay for housing or services. This subdivision does not prohibit a
4.27 facility from terminating an assisted living contract for nonpayment according to subdivision
4.28 3, or for a violation of the assisted living contract according to subdivision 4.

Sec. 8. Minnesota Statutes 2024, section 144G.53, is amended to read:

144G.53 NONRENEWAL OF HOUSING.

Subdivision 1. Notice or termination procedure. (a) If a facility decides to not renew a resident's housing under a contract, the facility must either (1) provide the resident with 60 calendar days' notice of the nonrenewal and assistance with relocation planning, or (2) follow the termination procedure under section 144G.52.

(b) The notice must include the reason for the nonrenewal and contact information of the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental Health and Developmental Disabilities.

(c) A facility must:

(1) provide notice of the nonrenewal to the Office of Ombudsman for Long-Term Care; and

(2) for residents who receive home and community-based waiver services under chapter 256S and section 256B.49, provide notice to the resident's case manager;

Subd. 2. Prohibited ground for nonrenewal. A facility must not decline to renew a resident's housing under a contract on the ground that the resident changes from using private funds to using public funds to pay for housing. This subdivision does not prohibit a facility from terminating an assisted living contract for nonpayment according to section 144G.52, subdivision 3, or for a violation of the assisted living contract according to section 144G.52, subdivision 4.

Subd. 3. Requirements following notice. If a facility provides notice of nonrenewal according to subdivision 1, the facility must:

~~(3)~~ (1) ensure a coordinated move to a safe location, as defined in section 144G.55, subdivision 2, that is appropriate for the resident;

~~(4)~~ (2) ensure a coordinated move to an appropriate service provider identified by the facility, if services are still needed and desired by the resident;

~~(5)~~ (3) consult and cooperate with the resident, legal representative, designated representative, case manager for a resident who receives home and community-based waiver services under chapter 256S and section 256B.49, relevant health professionals, and any other persons of the resident's choosing to make arrangements to move the resident, including consideration of the resident's goals; and

~~(6)~~ (4) prepare a written plan to prepare for the move.

6.1 Subd. 4. **Right to move to location of resident's choosing or to use provider of**
6.2 **resident's choosing.** ~~(d)~~ A resident may decline to move to the location the facility identifies
6.3 or to accept services from a service provider the facility identifies, and may instead choose
6.4 to move to a location of the resident's choosing or receive services from a service provider
6.5 of the resident's choosing within the timeline prescribed in the nonrenewal notice.

6.6 Sec. 9. Minnesota Statutes 2024, section 245D.10, is amended by adding a subdivision to
6.7 read:

6.8 Subd. 1a. **Prohibited condition of admission or continued residence.** A license holder
6.9 is prohibited from requiring a current or prospective resident to have or obtain a guardian
6.10 or conservator as a condition of admission to or continued residence in the facility.