

Application for Exception to the Moratorium on Nursing Homes

In accordance with [Minnesota Statutes, section 13.41 \(https://www.revisor.mn.gov/statutes/cite/13.41\)](https://www.revisor.mn.gov/statutes/cite/13.41), **all data submitted on this application shall be classified public information upon approval of the exception to the moratorium.**

The undersigned hereby makes application for the exception to the moratorium on nursing homes subject to the provision of [Minnesota Statutes, section 144A.071 \(https://www.revisor.mn.gov/statutes/cite/144A.071\)](https://www.revisor.mn.gov/statutes/cite/144A.071), [Minnesota Statutes section 144A.073 \(https://www.revisor.mn.gov/statutes/cite/144A.073\)](https://www.revisor.mn.gov/statutes/cite/144A.073), [Minnesota Statutes section 256R.26 \(https://www.revisor.mn.gov/statutes/cite/256R.26\)](https://www.revisor.mn.gov/statutes/cite/256R.26), and the rules adopted thereunder.

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Answer all questions completely and accurately to avoid unnecessary delay.

Applicants may attach a separate sheet to address each section.

Facility Identification

Facility Name (Doing Business As): _____

Address: _____

City: _____ State: _____

Zip: _____ County: _____

Legal property description: _____

Telephone number: _____

Fax number (if applicable): _____

Health Facility Identification (HFID) number (if applicable): _____

CMS Certification Number (CCN): _____

Administrator's Name: _____

Direct Email Address: _____

Direct Phone Number: _____

Name and Title of Contact Person for this application: _____

Direct Email Address: _____

Direct Phone Number: _____

Bed Configuration and Layaway Beds

Fill in the tables below with the information about bed configurations and layaway beds at the facility before and after the project.

Definitions

- A **private room** is a 1-bed room that has a toilet area that does not share with an adjacent bedroom.
- **1-bed rooms** are those where a bedroom shares access to a toilet room with an adjacent bedroom.
- **2-bed rooms** are those where two beds are located within the same bedroom, whether there is a fixed partition separating the two beds (i.e., a “split double” room). A common toilet room is shared outside of partitioned bed areas within such bedrooms.
- **3- or 4-bed rooms** are those where the given number of beds shares access to the corridor.

Bed Configuration Table

Bed Type Configuration		

Layaway Beds Table

Bed Type Configuration		

Project Information

See [Minnesota Statutes, section 144A.073, subd. 1](#) for **Definitions**. Check all that apply to the project.

- | | | |
|-------------------------------------|--------------------------------------|---|
| <input type="checkbox"/> Conversion | <input type="checkbox"/> Replacement | <input type="checkbox"/> Upgrading |
| <input type="checkbox"/> Relocation | <input type="checkbox"/> Addition | <input type="checkbox"/> Phased Project |
| <input type="checkbox"/> Renovation | | |

Note: Briefly explain why the proposer selected replacement instead of renovation, or renovation instead of replacement.

Estimated Total Cost of the Project

See [Appendix A: Estimated Total Cost of the Project](#)

- Excluding land, land improvements and moveable equipment: _____
- Estimate Appraisal Value of the Entire Facility after the Project (Include both the undepreciated replacement cost (URC) and depreciated replacement cost (DRC) excluding land, land improvements and moveable equipment: _____
- Service Area (City and County): _____

Proposed Project Summary

Provide a concise summary of the proposed project, including a brief statement outlining your objectives and intended outcomes. Clearly explain why this project represents the most effective solution to the identified problem(s). Describe how the anticipated outcomes will address or improve the situation(s) outlined in the problem statement.

All applications must involve **conversion, relocation, renovation, replacement, addition, upgrading, or phased project** as defined in statute. Proposals that do not align with these definitions will not be accepted.

Important Note:

If your proposal includes a request for rate adjustments in phases, this must be **explicitly stated** within the summary portion of the application. To qualify for rate adjustments in phases, the completed work must meet the statutory definition of a phased project. Applications that do not identify phases during submission will not be eligible for rate adjustments in phases once construction is completed.

Criteria for Review

[Minnesota Statutes, section 144A.073, subd. 4a](#) states that in reviewing the application materials and submitted costs by an applicant to the moratorium process, the review panel shall consider the following criteria in recommending proposals.

Each proposal must include a clear description of the situation(s) or condition(s) that significantly contribute to the need for the proposed exception.

1. The extent to which the proposed nursing home project is integrated with other health and long-term care services for older adults.
2. The extent to which the project provides for the complete replacement of an outdated physical plant.
3. The extent to which the project results in a reduction of nursing facility beds in an area that has relatively high number of beds per thousand occupied by persons age 85 and over.
4. The extent to which the project produces improvements in health; safety, including life safety code corrections; quality of life; and privacy of residents.

For example, the extent to which the project improves conditions that affect the comfort or quality of life of residents in a facility or the ability of the facility to provide efficient care, such as a relatively high number of residents in a room; inadequate lighting or ventilation; poor access to bathing or toilet facilities; a lack of available ancillary space for dining rooms, or rooms used for other activities; problems relating to heating, cooling, or energy efficiency; inefficient location of nursing stations; narrow corridors; or other provisions contained in the licensure and certification rules.

5. The extent to which, under the current facility ownership and management, the provider has shown the ability to provide good quality of care based on health-related findings on certification surveys, quality indicator scores, and quality-of-life scores, including those from the Minnesota nursing home report card.
6. The extent to which the project integrates the latest technology and design features in a way that improves the resident experience and improves the working environment for employees.
7. The extent to which the sustainability of the nursing facility can be demonstrated based on the need for services in the area and the proposed financing of the project.
8. The extent to which the project provides or maintain access to nursing facility services needed in the community.

Demonstrating Facility Sustainability Based on Community Need and Project Financing

Please explain how the long-term sustainability of the nursing facility is supported by the identified service needs within the area and the proposed financing for the project. In your response, include the following:

1. **Geographic Area Served:** Clearly identify the service area the facility will cover.
2. **Unmet Needs:** Describe the specific unmet needs related to the problem statement(s). This may include unavailable services, unserved or underserved populations, the aging population within the service area, and existing services currently offered in the region.
3. **Ongoing Need for Facility-Based Care:** Discuss the continuing demand for nursing facility care within the community and surrounding areas.
4. **Supporting Data and Methodology:** Provide relevant data to support the identified needs, and detail the methodology used to collect and analyze this information.

Required Information and Supporting Documentation for Proposed Project

Please ensure your proposal includes the following items:

1. **Architectural Specifications**

Provide an outline of specifications for all construction-related projects—including renovations and replacements—prepared by a registered architect.

2. **Schematic Drawings**

Submit schematic drawings and an outline of specifications, prepared by a registered architect, for all construction projects including replacement and renovation.

An example of a schematic drawing is found on the Minnesota Department of Health's website: [Nursing Home and Certified Boarding Care Home Moratorium Exceptions](#).

3. **Environmental Conditions**

Describe the current environmental conditions of the facility as reviewed under [Minnesota Rules, chapter 4655.1084, subpart 10](#), and detail any proposed changes.

4. **Cost Estimate**

Include a comprehensive cost estimate prepared by a contractor, architect, or other individuals involved in developing the proposal. The estimate should correspond to the schematic drawings and specifications described in Items 1 and 2 and must include:

- Construction and building costs
- Attached fixtures
- Construction site preparation
- Technology integration
- Related soft costs such as:
 - Sales tax on materials
 - Contractor's overhead and profit
 - Architectural and engineering fees
 - Construction-period interest
 - Permits
 - Zoning and construction financing
 - Feasibility, economic, and demographic studies
 - Legal, accounting, and consulting fees related to project development
 - Design costs

Note: This estimate must exclude land, land improvements, and movable equipment.

5. Phased Project Costs

If applicable, provide a detailed breakdown of total project costs by phase.

6. Estimated Appraised Value

Submit the estimated appraised value—both **URC** (Undepreciated Replacement Cost) and **DCR** (Depreciated Cost of Replacement)—of the entire facility (existing and new), excluding land, land improvements, and movable equipment, upon completion of the project.

7. Impact on State Medical Assistance (MA) Costs

Outline the proposed project's impact on the state's share of MA costs, including community-based services, nursing services, and housing in both institutional and non-institutional settings. If the project meets the criteria for a consolidation, provide this information separately for the facility being closed and the one being replaced or upgraded.

8. Replacement Facility Location

For proposals involving full or partial facility replacement, include the property identification number and a general description of the proposed new location.

9. Alternative Cost Estimates

Provide a cost estimate for renovation as an alternative to replacement, or vice versa (replacement as an alternative to renovation). Include a brief explanation of why the proposer selected one option over the other.

Note: This data will not be used for rate setting purposes.

10. Construction Timeline

Include the estimated construction start date for renovation and replacements and the proposed timeline for project completion. If any portion of the project has already been completed—or will be completed prior to the Public Presentation Meeting—identify the square footage, describe the completed work, and include associated costs.

11. Regulatory and Compliance History

The review process includes an evaluation of licensure orders, certification deficiencies, substantiated complaints, or remedies issued within the 24 months prior to proposal submission. Include a statement addressing any relevant issues and provide clarifications as appropriate.

12. Resident Relocation Plan

If bed closures are part of the proposal, include a relocation plan for affected residents. This information is required for the Department of Human Services to estimate the total cost of the proposal.

Engineering Summary Review Form

Complete the **Engineering Summary Review Form** found on the Minnesota Department of Health's website: [Nursing Home and Certified Boarding Care Home Moratorium Exceptions](#).

Affirmation

- ☐ I certify the information provided on this application materials are accurate and complete.
- ☐ I have read and understood the following statutes and rules:
- [Minnesota Statutes, section 144A.071 – Moratorium on Certification of Nursing Home Beds](#)
 - [Minnesota Statutes, section 144A.073 – Exceptions to Moratorium; Review](#)
 - [Minnesota Rules, chapter 4655.1070 – Definitions](#) to [4655.1098 – Documentation](#)
 - [Minnesota Statutes, section 256R.26 – Property Payment Rate](#)
- ☐ The facility will provide services in accordance with state and federal laws, rules and policies.
- ☐ Preliminary plans must be submitted in compliance to [Minnesota Rules 4658.4010](#), before drawing final plans.
- ☐ The facility will comply with all standards relating to fiscal accountability in accordance with Minnesota Department of Health and Department of Human Services.
- Budget revisions with justification(s) will be submitted to the commissioner of health for prior approval:
 - [Minnesota Rules, chapter 4658.4025](#) states in:
 - Subpart 1 that “The department must be notified in writing within seven days after beginning construction. Unless construction is begun within one year after approval of final working drawings and specifications, the drawings must be resubmitted for renewal of review and approval.”
 - Subpart 2 that “All construction must be executed according to the approved final plans and specifications. Subsequent construction changes addressed by this chapter must be approved by the department before the changes are made.”

Facilities are required to notify the department of any changes to approved projects involving conversion, relocation, renovation, replacement, addition, upgrading, or phased work that alter the methods or materials described in the final working drawings.

Any corresponding budget revisions and justifications must be submitted to the Commissioner for review and approval prior to implementing the changes.

- If the commissioner approved the reported changes in a project, a change order permitting the changes will be issued. The issuance of a change order does not alter the allowable costs as estimated in [Minnesota Rules 4655.1084](#).
- In the event of cost overruns, the facility will immediately notify the commissioner including a description.
- Upon completion of the proposed project and prior to the final clearance use, the facility will submit to the Commissioner of Health and Department of Humans Services, a final statement of costs as directed by [Minnesota Statutes, section 144A.071, subdivision 2](#).

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- Project financial management systems will provide for:
 - Accurate, current and complete disclosure of the financial status of the project.
 - Effective control over the accountability for all funds, property and other assets. Project applicants are to adequately safeguard such assets and assure that they are used solely for authorized purposes.
 - Comparison of actual obligations with budget amounts for each activity.
 - Accounting records that are supported by source documentation.
 - Audits which will be made by or at the direction of the Minnesota DHS.

Application is hereby submitted for approval of an exception to the nursing home moratorium.

By signing below, the Authorized Official affirms that they have the authority to commit the organization to comply with all applicable Minnesota Statutes and Rules, including any conditions and reporting requirements. The Authorized Official further certifies full compliance with all provisions outlined in this application.

Signature of Authorized Representative: _____

Name (print or type): _____

Title: _____

Date: _____

Keep a copy of the application and attachments for your records.

Minnesota Department of Health
Health Regulation Division
Federal Licensing, Certification and Registration section
PO Box 64900
St. Paul, MN 55164-0900
651-201-4200
Health.NHM@state.mn.us
[Nursing Home and Certified Boarding Care Home Moratorium Exceptions - MN Dept. of Health](#)

To obtain this information in a different format, call: 651-201-4200.

Information

Procedure for Submission of Application Materials

Applicants must have access to upload application materials electronically.

Prior to uploading, please email the following information to Health.NHM@state.mn.us and instructions will be sent to the contact person.

- Facility name
- Contact person
- Email address of the individual responsible for uploading the application materials

Completed proposals must be received, to the CloudDrive, by the Minnesota Department of Health no later than **4:30 p.m. Central Standard Time (CST) on December 18, 2025.**

Frequently Asked Questions

Questions related to this RFP or application can be submitted to Health.NHM@state.mn.us.

Please visit the Minnesota Department of Health's website at: [Nursing Home Moratorium Exception Frequently Asked Questions](#).

Contacts

For assistance in completing the application forms, members may contact LeadingAge at (651) 645-4545, Care Providers of Minnesota at (952) 854-2844, or the Minnesota Department of Health at (651) 201-4200.

Appendix A: Estimated Total Cost of the Project

[Minnesota Statutes, section 144A.071, subd. 2](#)

[Minnesota Statutes, section 144A.073, subd. 2, part \(4\)\(iv\) to \(6\)](#)

[Minnesota Rules, chapter 4655.1078](#)

[Minnesota Statutes, section 256R.26](#)

1. Use method for rate setting principles. The estimated cost to the state of approved projects is based on the Fair Rental Value (FRV) formula at the time of approval and the estimated URC and DRC from the application. The final FRV property rate will be based on the actual appraisal (conducted by state contractor) after construction and the current FRV formula at the time of project completion. However, the allowable URC and DRC at project completion is the lessor of the actual appraisal value or 105% of the allowable URC and DRC at the time the application is approved by the state.

2. For Proposal Costs, the proposer shall:
 - a. Estimate construction cost of project showing amounts for building(s) and fixed equipment.
 - b. Indicate number of beds being relocated and where they are being relocated from, number of beds being delicensed or relicensed from layaway, and total number of beds and bed configuration after project completion in format similar to the bed configuration on the Minnesota Statistical and Cost Report; and
 - c. Anticipated public grants or insurance proceeds.
 - d. Estimated savings due to closing a facility as part of a consolidation project.
3. Estimate change in real estate taxes as a result of this proposal.
4. Estimate change in annual operating costs as a result of this proposal.
5. Include an estimated appraised value (URC and DRC) for the entire facility (existing and new) after the completion of the project, excluding all land, land improvements and movable equipment.