

FY26 Home and Community Based Services Employee Scholarship Grant & Loan Forgiveness Program Questions & Answers

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If our organization is owned by an out-of-state entity, but all the assisted living facilities we operate are located in Minnesota, are we eligible to apply for the HCBS Employee Scholarship Grant and Loan Forgiveness Program?

The applicant organization (the entity with the legal and financial standing to apply for this funding) must be located in Minnesota. An out-of-state parent company is not eligible to apply, even if it operates facilities in Minnesota.

Is my organization able to apply for more or continued funding if we still have some funds to utilize presently?

Current and past HCBS grantees are eligible to apply for the current funding cycle if there is a need for additional financial support for scholarships and/or loan forgiveness, even if an active grant or employee loan forgiveness awards are in place, as long as the organization still meets eligibility criteria.

Please note that when evaluating the new application, the review committee will consider whether the organization previously received HCBS funding, any open balances from past grants, the rationale for applying for additional funds, and whether the application demonstrates the impact of past funding.

Is this a rotating grant? Will the ability to apply be ongoing?

The HCBS Employee Scholarship Grant and Loan Forgiveness Program is offered through periodic competitive funding cycles rather than automatic renewals. This funding opportunity is offered annually, contingent upon funding availability.

Where can I find the criteria for the loan forgiveness portion?

Loan forgiveness program requirements are described in RFP section 2.2, under the heading “Loan Forgiveness for Individual HCBS Employees.”

If I have nurses still paying tuition loans from years ago, can this program help?

Yes. As noted in RFP section 2.2, under “Loans Eligible for HCBS Loan Forgiveness,” loans from previous years are eligible if they were used for tuition, education-related expenses, or reasonable living expenses for graduate or undergraduate study in nursing or other HCBS-related fields. Please review the full eligibility criteria in the RFP.

If our organization just received our HCBS license approval from DHS and we do not yet have active clients, are we eligible to apply?

To be eligible, organization must not only hold an active HCBS license but must also currently be providing services to clients—at least 51% of whom are age 65 or older—in a home or community-based setting at the time of application. Organizations without active clients are not yet eligible until services have begun under that license. See RFP Section 1.4: Eligible Applicants for more details.

My organization is a primary care practice that provides care to patients within Assisted Living and Memory Care communities but does not own or operate these communities. We are a mobile practice that travels to these sites. Would we qualify?

Eligible applicants must be organizations that directly provide home and community-based services under one of the following licenses:

- Assisted living facility as defined in [Sec. 144G.08 MN Statutes, subdivision 7](#)
- Adult day care facility as defined in [MN Statute 245A.02, subdivision 2a](#)
- Home care services provider as defined in [MN Statute 144A.43, subdivision 3](#)

Primary care or mobile medical practices without one of these licenses are not eligible to apply. See RFP Section 1.4: Eligible Applicants for more details.

The RFP mentions priority for organizations with operating expenses of \$2 million or less. Does this threshold refer to just the HCBS license, or to a full campus that includes a Skilled Nursing Facility (SNF)?

The \$2 million operating expense threshold applies to the entire legal entity applying for the grant. If an organization operates multiple service lines or a broader campus that includes other divisions such as a Skilled Nursing Facility, or if an organization operates multiple HCBS facilities, the total operating expenses for the parent entity should be reported.

Should the revenue reported on the Due Diligence form match the information included in the application?

Yes. All financial information—including revenue, expenses, and audited or supplemental financial documents—must be consistent across the application, the Due Diligence Form, and all uploaded financial statements. Because financial reporting is based on the full legal entity, the figures submitted in all sections of the application should align accordingly. If an audit covers multiple divisions or facilities, applicants may attach supplemental documentation (such as an income statement) to provide additional clarity for the HCBS-licensed component.

In the application, Section #3 asks for the number of patients/clients served. Should this reflect the number served at this time, or the total for the year?

Please provide the number of patients/clients served annually by your HCBS-licensed organization, as this gives a more accurate picture of your service capacity and reach.

If your client count fluctuates, you may note both your current census and annual total, but MDH primarily uses the annual figure to assess organizational scale and eligibility.

If an employee who is awarded HCBS Loan Forgiveness goes on maternity leave, will that affect their award?

Temporary leaves such as maternity, medical, or family leave will not disqualify a recipient, provided the employee remains employed with an eligible HCBS provider and continues to meet the service commitment (averaging 32 hours/week for at least 45 weeks per year) once they return to work. Recipients should communicate any leave plans to MDH when completing annual verification.

Will the presentation slides from the informational webinar be sent out to participants?

Yes. The slides and full Q&A summary will be posted on the MDH HCBS program webpage after the informational webinar. Applicants can download materials at:

<https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#hcbs>

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