

This revenue notice was revoked by publication of Revenue Notice # 21-03 on September 27, 2021.

MINNESOTA DEPARTMENT OF REVENUE

Revenue Notice # 06-13: MinnesotaCare – Patient Services – Community Support and Family Community Support

Introduction

Under *Minnesota Statutes*, section 295.50, subdivision 9b(b)(4), the definition of patient services excludes services provided to and by community support programs and family community support programs that are approved under *Minnesota Rules*, parts 9535.1700 to 9535.1760, also known as *Rule 78*, or certified as mental health rehabilitative services under *Minnesota Statutes*, chapter 256B.

Services provided to and by community mental health centers and community residential mental health facilities are also excluded from the definition of patient services. This means that these services are not subject to the MinnesotaCare tax and do not have to be reported as patient services.

The scope of this revenue notice is limited to services provided to and by community support programs and family community support programs.

Community Support Programs

Community support programs are designed to help adults with serious and persistent mental illness function and remain in the community. They include adult rehabilitative mental health services (ARMHS), as defined in *Minnesota Statutes*, section 256B.0623, subdivision 2(a); adult day treatment, as defined under *Minnesota Statutes*, section 245.462, subdivision 8; crisis response services, as defined in *Minnesota Statutes*, section 256B.0624; and assertive community treatment (ACT), as covered under *Minnesota Statutes*, section 256B.0622.

Community Support Programs are defined in *Minnesota Statutes*, section 245.462, subdivision 6, and include the following services:

1. client outreach;
2. medication monitoring;
3. assistance in independent living skills;
4. development of employability and work-related opportunities;
5. crisis assistance;
6. psychosocial rehabilitation;
7. help in applying for government benefits; and
8. housing support services.

Family Community Support Programs

Family community support programs are designed to help children with severe emotional disturbances to function and remain with the child's family in the community. Family community support programs include children's mental health crisis response services, as defined in *Minnesota Statutes*, section 256B.0944, and children's therapeutic services and support (CTSS), as defined in *Minnesota Statutes*, section 256B.0943, subdivision 1(a). Children's therapeutic services and supports are excluded if there is a diagnosis of emotional disturbance by a health care provider (in the case of a child under 18) or a diagnosis of a mental illness (if the person is between the ages of 18 and 21).

Family community support programs are defined in *Minnesota Statutes*, section 245.4871, subdivision 17, and include the following services:

1. client outreach to each child with severe emotional disturbance and the child's family;
2. medication monitoring where necessary;
3. assistance in developing independent living skills;
4. assistance in developing parenting skills necessary to address the needs of the child with severe emotional disturbance;
5. assistance with leisure and recreational activities;
6. crisis assistance, including crisis placement and respite care;
7. professional home-based family treatment;
8. foster care with therapeutic supports;
9. day treatment;
10. assistance in locating respite care and special needs day care; and
11. assistance in obtaining potential financial resources, including those benefits listed in section 245.4884, subdivision 5.

Department Position

All payments for community support programs and family community support programs (including private payments) are excluded from gross revenues for patient services and do not need to be reported to the Department of Revenue for purpose of the MinnesotaCare tax.

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Health care providers who provide only community support services or family community support services, as provided under *Minnesota Statutes*, section 295.50, subdivision 9b(b)(4), are not required to register for the MinnesotaCare tax.

All patient services provided under *Minnesota Statutes*, section 295.50, subdivision 9b(a), are subject to tax. Health care providers that provide patient services as well as community support services (or other services excluded from the definition of patient services under *Minnesota Statutes*, section 295.50, subdivision 9b(b)(4)), are subject to tax only on receipts for patient services (including services paid under the medical assistance program).

Health care providers who provide services to community support programs or family community support programs may exclude from tax only services that are purchased by those entities (unless another exemption applies).

Examples

1. A health care provider provides outpatient psychological counseling as well as community support services. The outpatient psychological counseling is subject to tax. The community support services are exempt.
2. A health care provider provides marriage counseling. Marriage counseling is subject to tax.
3. Home and job skills development services are exempt from tax when provided by a health care provider certified to provide mental health rehabilitative services.
4. Play therapy provided to a child who has been diagnosed with an emotional disturbance is exempt from tax when provided by a health care provider approved as a family community support program.
5. Adult rehabilitative mental health services (ARMHS) to support the recipient in areas such as interpersonal communications, medication monitoring, and mental illness symptom management skills, are exempt from tax.
6. Family psychotherapy services to the family of a child covered under the CTSS program are exempt from tax if there has been a diagnosis of an emotional disturbance.

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