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# Annual Reporting FAQs

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## Purpose

This document provides answers to frequently asked questions about the annual reporting process received by Local Funding (LF). This document also offers background context and outlines ongoing LF procedures designed to support a smooth and informed reporting experience each year.

## List of Acronyms and Abbreviations

CHIRP	Comprehensive Hospital Increase Reimbursement Program
CHOW	Change of Ownership
CMS	Centers for Medicare & Medicaid Services
CPE	Certified Public Expenditure
DPP	Directed Payment Program
DPP BHS	Directed Payment Program for Behavioral Health Service
DSH	Disproportionate Share Hospital
DSRIP	Delivery System Reform Incentive Payment
FFY	Federal Fiscal Year
FSS	Funding Source Statement
GME	Graduate Medical Education
HARP	Hospital Augmented Reimbursement Program
HHS	U.S. Health and Human Services
HHSC	Texas Health and Human Services Commission
IGT	Intergovernmental Transfer
LEA	Local Education Agency (Included under LGE)
LF	Local Funding
LGE	Local Governmental Entity (Includes LEAs)
LoFTS	Local Funds Tracking System
LPPF	Local Provider Participation Fund
MCO	Managed Care Organization
NAIP	Network Access Improvement Program
NPR	Net Patient Revenue
PHP-CCP	Public Health Provider-Charity Care Program
PFD	Provider Finance Department
QIPP	Quality Incentive Payment Program
RAPPS	Rural Access to Primary and Preventive Services
SDA	Service Delivery Area
SHARS	School Health and Related Services
SPP	Supplemental Payment Programs
SSA	Shared Service Arrangement
TAC	Texas Administrative Code
TIPPS	Texas Incentives for Physicians and Professional Services
UC	Uncompensated Care

## Exciting New LoFTS Improvements

- **New Checklists:** Checklists are now available to help LGEs prepare for the FSS and Module 1, Module 2, and Module 3 reports. Using the new checklists will help ensure an LGE is prepared for reporting before beginning the reporting process. The checklists are available under the [LoFTS Resources](#) section on the [PFD LF website](#).
- **Browser Compatibility:** For the best experience, view LoFTS using Chrome. Using Edge may negatively affect viewing the LoFTS program.
- **Module Complete Identifier:** A new **Module Complete Identifier** appears on the right side of the LoFTS landing page to show which modules are required. The Module Complete Identifier indicates modules that are not complete with an "x" and complete modules with a checkmark.
- **Enhanced Navigation:** New links that open in a separate window/tab have been added. This allows access to resources while simultaneously working in LoFTS.
- **Sync Button:** The newly added Sync button allows a reporting entity to import information from previous years. Examples of information that may be imported include hospitals, facilities, and relationships. Once the Sync button is clicked, a table will then display a populated list of entities a reporting entity can modify. LGEs can now edit or delete their own entries on relationship tables.
- **Editing and Deleting Hospitals, Facilities, or Relationships:** Use the **EDIT** and **DELETE** buttons to add or remove unnecessary data (pencil icons have been removed). It is highly recommended that reporting entities review any prepopulated data for accuracy and make any necessary notes or changes, including deleting unneeded information.
- **QIPP Reporting:** LGEs can use the new **Sync** button to populate previously reported facilities. New facilities, such as those acquired through a CHOW since the previous reporting period, will need to be added manually.
- **Funds generated directly by the LGE:** When an LGE reports funding sources in LoFTS, such as bonds, debt instruments, and other sources of

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revenue, the LoFTS system will create a form to fill in and then generate a table with the completed responses. Please ensure all required fields are completed within these tables. All tables can now be edited. If a line is added in error, that line can now be deleted.

- **Required fields in the hospital, facilities, and relationship tables:** There are eight (8) required fields for Hospitals, seven (7) required fields for Facilities, and two (2) required fields for Relationships. Leaving these fields blank will likely impact how the risk score is calculated. Refer to the user guide for more details.
- **PDF Downloads:** Every LGE will receive an email with individual module PDFs once the LGE has completed all required modules. To preview PDFs for the current year before final submission, go to the Certification Page in each module and click on the PDF report to download. PDFs for past years' reporting are available upon email request.
- **DSRIP Reporting:** All DSRIP IGTs were completed in 2023. There should be no DSRIP-related reporting in 2024. If an LGE needs to complete any DSRIP-related reporting, the LGE should report this amount in Module 2.

## General Reporting Questions

1. **Question:** When is Reporting due?

**Answer:** Reporting begins the day after the FFY ends on September 30 and is open the entire month of October (October 1 and closes October 31 at 11:59 PM Central).

2. **Question:** Why is Reporting required?

**Answer:** The Medicaid program is jointly funded by the State of Texas and the federal government. HHSC is responsible for overseeing the Texas Medicaid program, including ensuring that the sources of the non-federal share are permissible public funds. Our goal is to collect information on the sources of public funds available to LGEs to ensure that these funds are permissible sources of funding under federal statutes and rules. More information about why reporting is required can be found in **Appendix A**.

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3. **Question:** Who is required to report?

**Answer:** Generally, annual reporting will be required if an LGE submits the non-federal share of any Medicaid payment through IGT or CPE. For October 2024 reporting only, LEAs are not required to report in the October 2024 reporting period; supplemental information will be gathered from LEAs during spring 2025.

4. **Question:** Can someone be the Data Entry person for multiple LGEs?

**Answer:** Yes, however, each governmental entity with which a data entry person works with must designate that person as an approved contact before the person can act as the Data Entry person. As a reminder, only Data Certifiers (an employee, board member, or elected official of an LGE) can attest to the validity of data on every page and certify the data submission at the end.

5. **Question:** How many years will each LGE need to report?

**Answer:** Generally, LGEs will only report on one FFY at a time. Each FFY runs from October 1 of one calendar year through September 30 of the next calendar year. An LGE's annual report will be for the FFY that just ended.

For example, the October 2024 reporting covers FFY 2024, which ran from October 1, 2023, through September 30, 2024. Some programs have longer reconciliation times than others; for programs where HHSC seeks information outside the FFY 2024 period, the question will specify the date range for information related to the question.

6. **Question:** How do I find the latest updates and changes to reporting requirements?

**Answer:** LF will ensure that any State and Federal requirements and software updates are shared with LGEs as soon as they become available. The latest changes to the reporting process or additional requirements implemented after the FFY guidelines are published on the [PFD LF website](#).

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7. **Question:** What is a risk score, and how is it calculated?

**Answer:** A risk score helps LF assess the potential risk level that an LGE's IGT for the non-federal share may not be permissible public funds. The risk score is calculated based on several factors, including the number of programs for which the LGE provides IGTs, the total dollar amount of these IGTs, whether the LGE IGTs on behalf of private providers, the number of relationships the LGE reports having with private providers, and the listed funding sources. Higher scores indicate a higher potential risk, influencing which LGEs are selected for in-depth reviews.

8. **Question:** What happens if an LGE does not complete annual reporting?

**Answer:** An LGE that fails to complete annual reporting will be ineligible to provide funding to support Medicaid programs; and any payments funded by the LGE's previous IGT or CPE could be subject to recoupment for the applicable reporting year.

9. **Question:** How does an LGE get a list of current hospitals to compare with the LoFTS sync feature hospital list?

**Answer:** The Comprehensive Hospitals List from Texas HHS Regulatory Data is in several places. This list combines the Texas HHS General and Specialty Hospitals with the Texas HHS Private Psychiatric Hospitals and lists each hospital by county.

- LoFTS Module 1 - Page 6: Intergovernmental Transfers (IGTs) – Provider Relationships.
- LoFTS Module 2 – When an LGE answers “Yes” to the question, “Does the Governmental Entity submit IGT for any of the private hospitals in your region?”, a link to the list appears.
- LF website under **Reporting Resources** – click **LoFTS Resources**, last link under **FFY 2024 LoFTS Reporting Materials**.

## LoFTS Account Registration & Management

10. **Question:** How many people from an LGE can register?

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**Answer:** Each LGE must have one certifier but can also have one additional person as a Data Entry user (a total of two users). The Data Certifier can also enter data, but HHSC recommends that each LGE also registers a Data Entry user as a backup in case we need to contact your LGE for additional information.

11. **Question:** The training slide states that the Data Certifier must be an employee, board member, or elected official of the LGE to attest to the validity of data on every page and certify the submission at the end. Does the Data Certifier have to be a CFO or other legally binding representative of the LGE?

**Answer:** LF does not require that the Data Certifier hold any specific title. However, HHSC recommends choosing someone as the Data Certifier whose typical role involves approving financial transactions on behalf of the reporting LGE. Third-party representatives may not act as Data Certifiers.

## Module Management

12. **Question:** Once a reporting LGE has completed the required module(s), should the reporting LGE proceed to the other module(s) if they are not applicable?

**Answer:** No. Only the modules that apply to an LGE will populate based on your LGE's responses to the **Module Determination** (the first step after system registration). A reporting LGE should not have access to any module that is not applicable to that LGE. Call LF at (737) 867-7877 with any issues or questions.

13. **Question:** How will a reporting LGE know which module to use for UC IGTs?

**Answer:** The UC program consists of four sub-programs. The reporting requirements for each sub-program are described below:

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- UC Hospitals (reported in Module 1 and/or Module 2) – Supports Texas hospitals with funding to reduce the actual uncompensated cost of medical services.
  - Module 1: Report requested information related to the IGT from LPPFs or of other provider taxes.
  - Module 2: Report requested information related to the IGT of funds to support Medicaid payment programs for hospital services (other than funds from LPPFs or of other provider taxes), in addition to the Reporting requirements for LGEs described above for Module 1.
- UC Physician (reported in Module 3) – Supports inpatient and outpatient services provided to uninsured patients who meet the provider’s charity care requirements.
- UC Dental (reported in Module 3) – Supports preventive, diagnostic, therapeutic, and emergency treatment.
- UC Ambulance (Complete FSS only) – Supports governmental ambulance providers that provide emergency and non-emergency patient transport and that are reimbursed by Texas Medicaid.

14. **Question:** Does a reporting LGE still have to list every hospital and provider in the reporting LGE’s SDA for supporting programs shared by the SDA? Is a reporting LGE required to provide information on relationships with private hospitals in the same SDA?

**Answer:** Yes, a reporting LGE will need to list every hospital and provider in the SDA that participates in the program being supported by the LGE’s IGT (the new **Sync** button will auto-populate the information we already have in LoFTS). Additionally, if a reporting LGE submits an IGT to HHSC as the non-federal share of Medicaid payments for a program in which the IGT is used proportionately for all participating providers in an SDA, the reporting LGS must list every provider in the SDA. A reporting LGE must upload any documents related to provider relationships (e.g., lease, on-call agreement, or revenue-sharing agreement).

If any previously submitted documents remain unchanged, a reporting LGE does not need to re-submit those documents. However, a reporting



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LGE must upload any documents that have changed since the previous submission (such as amendments, extensions, changes in terms, or new agreements).

15. **Question:** What module does a reporting LGE complete for RAPPS IGTs for hospital-based rural health clinics?

**Answer:** Even though the rural health clinics may be hospital-based, RAPPS is not considered a hospital program. Therefore, RAPPS IGTs for hospital-based rural health clinics should be reported in Module 3.

## Funding Source Questions

16. **Question:** Due to our fiscal year and legislative changes affecting the State of Texas, the amounts on the funding source statement will not be finalized or accurate. What will happen if a reporting LGE provides this inaccurate data?

**Answer:** HHSC recognizes that the data for FFYs requested may not be final, and estimates are acceptable for this reporting. We are seeking the most accurate information available from a reporting LGE. Please note that annual LoFTS reporting is not a financial audit, and HHSC will not be reconciling amounts down to the exact dollar. If a reporting LGE is selected for an in-depth review, HHSC will address any issues with a reporting LGE directly and allow a reporting LGE to provide explanations and a finalized backup to support the reported data. This will not affect a reporting LGE's local funds determination.

17. **Question:** As far as what is included in each category when reporting revenues, is it up to a reporting LGE to decide where it fits best?

**Answer:** Yes. If a reporting LGE has any specific questions, LGE should reach out to LF via phone or email for help with the entity's specific revenue sources. During an in-depth review LF will reach out to a reporting LGE with any questions regarding the categories chosen.

18. **Question:** Do we need to upload supporting documents for revenue reported and/or bank statements?

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**Answer:** LGEs may opt to upload bank statements during reporting to help LF's review. If a reporting LGE is selected for an in-depth review and LF asks the reporting LGE for supporting documents, the LGE will have ten business days to provide the information to LF.

19. **Question:** Where should a reporting LGE report Interest and Sinking (I&S) funds tax revenue?

**Answer:** Please include this amount in Ad Valorem Tax Revenue under the **Funds generated directly by the LGE.**

20. **Question:** If a reporting LGE operates on a fiscal year other than October to September, will the reporting LGE need to report two adopted budget years?

**Answer:** The reporting LGE must provide reports covering the FFY requested (October 1 – September 30), which could include multiple budget years. A reporting LGE will report actual numbers in the FSS and provide budget documents. HHSC understand the budget is an approximate amount and would be happy to assist in determining how a reporting LGE can best meet this requirement.

21. **Question:** What types of income or revenue should we include in **Other Source of Revenue**?

**Answer:** Examples include:

- Investment accounts (Interest or Royalties),
- Donations,
- Refunds on equipment,
- Rebates,
- Restricted Funds (add a note to explain what the funds are dedicated to),
- Corporate membership revenue (unless the membership includes private providers, in which case it would be listed under **Revenue Sharing with a Private Entity**),
- Pharmacy revenue, and

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- Any other income that did not fall into the other sources of revenue category.

22. **Question:** Does a reporting LGE include revenue from Medicaid programs such as DSRIP, CHIRP, RAPPS, etc.?

**Answer:** Yes. Each reporting LGE should list any source of funding available to the governmental entity. This information is not solely related to IGTs, so revenue from state or federal programs (like Medicaid) should be documented as a revenue source.

23. **Question:** What is considered **Net Patient Revenue**?

**Answer:** Net patient revenue is the total revenue a healthcare facility generates from patient services after subtracting any allowances, discounts, and contractual adjustments. Net patient revenue represents the money collected from payors, including private insurance, self-payments, Medicare, and Medicaid. A reporting LGE should use the net patient revenue guidelines applicable to the LGE's Medicare Cost Report or American Hospital Association survey.

24. **Question:** Where does an LGE report Medicaid funds from Supplemental Payment Programs and DPPs?

**Answer:** LGEs can report Medicaid funds from Supplemental Payment Programs and DPPs under net patient revenue.

25. **Question:** How should building leases and rental income be classified in an LGE's reporting?

**Answer:** Building leases and rental income should be classified under **Contract Revenue**. Other income from agreements with private entities, such as equipment rental income from a physician group or funds from a private homeowners' association for security or parade escort, should be listed under **Other Contract Revenue from a Private Entity**. Agreements with another LGE which reflect income from a lease or other source should be listed under **Contract Revenue from another Local Governmental Entity**. Ensure the contract revenue is NOT already included as part of a revenue sharing or lease agreement already

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disclosed in another part of the FSS. Always refer to the specifics of the agreement or consult with LF for clarification.

26. **Question:** Are there any specific documents that a reporting LGE does not need to submit?

**Answer:** LF is in the process of compiling a thorough list of documents that are not necessary for reporting. Currently, the following documents do NOT need to be submitted:

- Patient Transfer Agreements,
- HIPPA agreements (medical records),
- Data Use Agreement or Direct Deposit with HHSC,
- Health Insurance Benefit Agreement,
- H2046 Certification,
- 4880: Child Support,
- Assumed Name Records,
- Certificate of Ownership for Unincorporated Business, and
- CHOW Notification Letters (announcements to the stakeholders).

## IGT Questions

27. **Question:** Other LGEs submit IGTs for a reporting LGE's jurisdiction. Is the reporting LGE required to combine all IGT information into one report to HHSC, or does the reporting LGE continue to report only on the IGTs submitted by that LGE's jurisdiction?

**Answer:** Each LGE is responsible for reporting on the IGTs it submits to HHSC. The information from multiple LGEs should not be combined in reporting.

## LPPF Questions

28. **Question:** What is an LPPF?

**Answer:** An LPPF is an optional method of finance for local governments to generate and collect local funding for Texas Medicaid supplemental and directed payment programs.

An LPPF is an account into which units of local government deposit mandatory payments from hospitals to use as IGT to HHSC for the non-federal share of Medicaid payments.

29. **Question:** What information do LGEs operating LPPFs need to report to HHSC?

**Answer:** All LGEs operating LPPFs are required to complete Module 1 in LoFTS.

## UC Ambulance & CPE

30. **Question:** Why must our fire department report?

**Answer:** Every LGE that contributes funding to the Medicaid program must report the sources of funding available to the LGE, regardless of whether the LGE provides an actual transfer of funds (referred to as an IGT) or via Certified Public Expenditure (CPE). A CPE is similar to a receipt – showing that the LGE has already paid for specific Medicaid services that the federal government has agreed to cost-share. LGEs that only participate in the UC Ambulance program (like many fire departments) fall into the category of LGEs that provide CPE to support Medicaid payments.

Medicaid is a jointly funded program – the State of Texas and the federal government share the cost of providing services. This is often referred to as the “non-federal share” and the “federal share.” In Texas, some of the non-federal share is provided by LGEs, such as fire departments that provide CPE to support their services to Medicaid patients.

HHSC is required to provide oversight and confirm that all non-federal share funds, including funds from LGEs participating in the UC Ambulance program, are eligible public funds. If HHSC cannot demonstrate that the LGEs that have supported Medicaid payments using public funds, it puts the Medicaid program at risk for federal deferrals,

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disallowances, or discontinuation of specific supplemental payment programs. The goal of this annual reporting is to provide the required oversight and demonstrate compliance with federal laws governing the non-federal share. Reporting ensures compliance with program requirements and allows Medicaid providers (including UC Ambulance LGEs) to continue to access Medicaid funding through supplemental payments.

31. **Question:** As an LGE participating ONLY through CPE (and not transferring funds via IGT), how do we report through LoFTS?

**Answer:** An LGE that only submits CPEs (like an LGE that exclusively participates in UC Ambulance, PHP-CCP, or SHARS) will select "CPE only" in the module determination. This selection will limit the information each LGE is required to provide to what is necessary for our review. Be sure to include a comprehensive overview of all revenue available to your LGE, regardless of its specific purpose or use as IGT or funds qualifying for CPE, including revenue dedicated to specific programs. Once all steps are completed, the Data Certifier for each LGE must certify and attest to the information contained in the Funding Source Statement.

32. **Question:** What budget information is required from UC Ambulance Providers when reporting funding sources?

**Answer:** LGEs should submit their comprehensive budget showing where all funds available to the LGE originate. The budget must show that LGE has access to public funds, such as taxing authority, state appropriations, or funds from another LGE. Federal law requires that public funds be used to support Medicaid payments.

Our role is to confirm that each LGE has sufficient public funds (excluding federal funds and private funds) to support the LGE's IGT or CPE. If an LGE has a fiscal year that differs from the FFY, please submit budget documents covering both fiscal years necessary to cover the reporting timeframe.

## CHOW Questions

33. **Question:** Which LGEs are required to submit CHOW documents?

**Answer:** LGEs that submit IGT for QIPP, TIPPS, or RAPPS are required to submit CHOW documents IF the CHOW impacted program eligibility. For example, in the QIPP program **this requirement applies if** the non-state government-owned nursing facility **was formerly a private provider**, if the nursing facility was **owned by a different LGE**, or if there have been **changes in eligibility criteria**.

**Changes in eligibility criteria include the distance of the facility from the LGE taking ownership or the activities that demonstrate an active partnership.**

Program requirements in the TAC for each program require LGEs that purchase, lease, or otherwise combine with a private entity to provide copies of contracts it has with third parties with respect to the transfer of ownership or the management of the provider, and which reference the administration of, or payment from, the program.

34. **Question:** Is a reporting LGE required to submit documentation if a CHOW occurred between two LGEs?

**Answer:** Documents are required if a CHOW affected the eligibility for the following programs: DPP BHS, DSRIP, NAIP, TIPPS, QIPP, RAPPS, UC Dental, UC Physician.

35. **Question:** If the reporting LGE acquired a nursing facility within the last five years but no longer owns it, or it has been permanently closed, should the LGE provide the CHOW documents?

**Answer:** The reporting LGE is only required to provide the CHOW documents if the provider was active during the FFY for which the LGE is reporting. If the LGE owned an NF that has closed, the LGE should note the closure date in LoFTS.

For example, if ABC Nursing Facility completed a CHOW in 2017 to the LGE but the NF permanently closed in 2018, the LGE does not need to

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submit the CHOW documents. However, if the LGE permanently closed in January 2024, the CHOW documents must be included in the FFY 2024 reporting year.

36. **Question:** What documents does a reporting LGE need to submit for the CHOW?

**Answer:** The LGE is required to include copies of all contracts the LGE entered with third parties for the transfer of ownership, management of the provider, and/or documents that reference the administration of, or payments from, the Medicaid program(s).

37. **Question:** If a reporting LGE submitted CHOW documentation and active partnership documents for QIPP in a previous reporting year, does the LGE need to resubmit this information, or can we note it in Module 3?

**Answer:** Active partnership documents must be uploaded to support the reporting FFY. Unchanged CHOW agreements do not need to be resubmitted.

38. **Question:** Does HHSC still require relationship documents if a reporting LGE went through a CHOW and now shares the same Tax ID with a private entity?

**Answer:** Yes, relationship documents must be submitted for any provider that was a private entity in the previous five years. A reporting LGE is required to submit agreements signed prior to the CHOW and agreements related to the IGT or QIPP payments between entities sharing a Tax ID.

39. **Question:** If an LGE's NF is eligible for QIPP based on more than one criterion, is the LGE required to list each criterion they qualify for?

**Answer:** Yes, in Module 3, the LGE is required to select each eligibility criterion the NF meets.

## Technical Support

40. **Question:** What steps should a reporting LGE take if they cannot log in to LoFTS or do not know their username?



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**Answer:** If a reporting LGE is having trouble logging in, one common issue is an incorrect username. **Make sure to add ".lofts" to the end of the email address when entering the username.** For example, if the email address is sample@domain.com, the username would be sample@domain.com.lofts.

If a reporting LGE has not registered yet, please use the following [Self-Registration Link](#). Once registered, the reporting LGE should use the [LoFTS Login Link](#).

41. **Question:** I am a Data Certifier or Data Entry user, and I forgot my LoFTS password. How can I reset it? Also, what if I encounter a system error or technical issue while Reporting?

**Answer:** Use the LoFTS **Forgot Password** to reset your password. If you experience any technical issues, please contact LF by phone at (737) 867-7877 or email at [PFD\\_LFM@hhs.texas.gov](mailto:PFD_LFM@hhs.texas.gov).

42. **Question:** What steps should I take if a reporting LGE is not receiving LoFTS emails?

**Answer:** If a reporting LGE is not receiving LoFTS emails, please ensure that the following Salesforce email domains are added to your approved sender list: noreply-hhs.salesforce@partner.hhs.texas.gov and noreply@salesforce.com.

43. **Question:** Why would a reporting LGE's files be rejected, and how can a reporting LGE submit the required documentation?

**Answer:** LoFTS uploads are limited to 100 MB per document. If the reporting LGE has any additional questions or supporting documents that are larger than 100 MB, please email [PFD\\_LFM@hhs.texas.gov](mailto:PFD_LFM@hhs.texas.gov) to request access to the GlobalScape EFT server with more space to submit documentation. The Supplemental section of LoFTS can be found on the landing page. Supplemental uploads can also be up to 100 MB.

44. **Question:** How does a reporting LGE use the Local Funding GlobalScape EFT Server to upload documents if I have more than 100 MB files?

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**Answer:** The reporting LGE must request credentials via email at [PFD\\_LFM@hhs.texas.gov](mailto:PFD_LFM@hhs.texas.gov). LF will return an email with a username, password, and instructions. Once logged in to the GlobalScape EFT Server, the reporting LGE can upload files by dragging and dropping them into the designated area on the **My Files** page or by clicking the **Upload** button. Larger files take longer to upload, and the reporting LGE should keep the session active during the upload by interacting with the screen regularly.

45. **Question:** What steps should a reporting LGE take after uploading documents to the GlobalScape EFT Server?

**Answer:** After completing file uploads on the GlobalScape EFT Server, please respond to the email from which the reporting LGE's login credentials were sent to confirm that the reporting LGE's documents are now available. LF staff will then access and download the reporting LGE's files. For security purposes, the reporting LGE's password will be reset after the reporting LGE's files are retrieved and removed from the EFT server.

## Training & Resources

46. **Question:** Where can a reporting LGE access training materials for LoFTS reporting?

**Answer:** Training materials, including training videos and step-by-step guides, are available at <https://pfd.hhs.texas.gov/local-funding#RecordedTrainingsandMeetings>. These resources are designed to help reporting LGEs understand the reporting requirements and navigate LoFTS effectively.

47. **Question:** How should LGEs prepare for reporting, and what documentation needs to be prepared and submitted?

**Answer:** LGEs should start by reviewing all applicable reporting guidelines and requirements. Compiling all necessary documents and data is essential before beginning the reporting process. Detailed **checklists**

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are new and now available on the [PFD LF website](#) to assist in preparing documentation and data entry.

48. **Question:** What steps should an LGE take after reporting is complete?

**Answer:** The LGE should confirm all modules have been submitted and that the final certification has been completed. Please watch for follow-up communications from HHSC in the coming weeks.

## Extension Requests

49. **Question:** Can HHSC extend the reporting and data submission deadlines?

**Answer:** While HHSC strives to accommodate reporting needs, it is not possible to offer a blanket extension for reporting or data submission deadlines. If a reporting LGE is facing unique challenges with the submission timeline, please email us at [PFD\\_LFM@hhs.texas.gov](mailto:PFD_LFM@hhs.texas.gov) for further assistance or to discuss potential options.

## Module 4 Updates

50. **Question:** LGEs were required to report information regarding CPEs in Module 4 last year. Will this be required for the current reporting period?

**Answer:** Module 4 reporting is no longer required. The FSS collects information on all revenue sources available to your LGE and is the only section required if the only program your LGE participates in is PHP-CCP or UC Ambulance.

## Recommended Bookmarks & Links

- [PFD LF website](#)
- [LoFTS Login](#)
- [Registration, Login, & Module Determination \(.pdf\)](#)
- [Funding Source Statement \(.pdf\)](#)
- [Module 1 \(.pdf\)](#)

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- [Module 2 \(.pdf\)](#)
- [Module 3 \(.pdf\)](#)
- [Funding Source Statement Checklist \(.pdf\)](#)
- [Module 1 Checklist](#)
- [Module 2 Checklist](#)
- [Module 3 Checklist](#)
- [Nursing Facilities with CHOWS - Active and Closed \(.xlsx\)](#)
- [Comprehensive Hospitals List from Texas HHS Regulatory Data \(.xlsx\)](#)
- [Trainings & Meetings](#)
- [LPPF Overview](#)
- [Financial Program Calendar](#)

## **Appendix A: Understanding the LGE Role in Medicaid Payment Programs**

This section summarizes Medicaid payment programs and the role of the LGE based on their participation in both Directed and Supplemental Payment Programs operating within the Federal Fiscal Year (October 1 - September 30).

### **What is the difference between Medicare and Medicaid?**

Medicare is fully funded by the federal government and provides healthcare assistance to individuals aged 65 and older, as well as younger people with specific disabilities. It covers hospital, medical, and prescription drug expenses, with some costs shared by recipients.

Medicaid is a program jointly funded by the federal and state governments providing health coverage to low-income individuals, including children, pregnant women, seniors, and people with disabilities.

### **What are the types of Medicaid payment programs?**

Directed Payment Programs are managed through MCOs and focus on improving healthcare quality by linking payments to specific metrics. These programs include CHIRP, QIPP, TIPPS, RAPPs, and DPP BHS. Such programs are essential in supporting hospitals by enhancing payment structures and promoting quality care for Medicaid recipients.

Supplemental Payment Programs offer payments made directly to providers, separate from and in addition to base Medicaid payments. These programs support hospitals that serve large Medicaid and low-income populations. Such programs include DSH, UC, GME, PHP CCP, and HARP which provide crucial funding to hospitals offering critical healthcare services.

### **How is Medicaid funded?**

Both the state and federal governments fund the Medicaid program. The federal government contributes a percentage of the funding based on the Federal Medical Assistance Percentage (FMAP), which varies according to the state's needs. The state must use permissible public funds as their state share to be eligible to draw down the matching federal Medicaid funds. In Texas, HHSC oversees the Medicaid program, and funding is divided into an

## Annual Reporting FAQs

approximate 40/60 ratio, with roughly 40% sourced from state funds and 60% from federal funds.

### **Where does the non-federal share come from?**

LGEs finance Medicaid through IGTs or CPEs which are used as the non-federal share to draw down federal dollars. Some LGEs administer LPPFs to collect mandatory payments from hospitals within their jurisdiction for use as the non-federal share. See the [LPPF Overview](#) for more information.

### **Why do we have to report our funding sources?**

To qualify as the non-federal share, the funds transferred by LGEs must be permissible public funds as defined by specific federal statutes and rules in the Social Security Act ([SSA §1903\(w\)](#)) and the Code of Federal Regulations ([42 CFR §§433.50-74](#)).

HHSC ensures that the money dedicated to the Medicaid program by local governmental entities (through IGT or CPE) for the various Medicaid payment programs is permissible to be used as the non-federal share of Medicaid payments. Starting in FFY 2022, HHSC enhanced reporting through LoFTS to examine funding sources, helping local government entities confirm the permissibility of these funds.

Accurate and timely reporting of local funds is critical to maintaining compliance with Medicaid statutes and regulations. HHSC provides a [Financial Program Calendar](#) with important dates for payments and enrollments through 2026. Consistent communication with HHSC ensures that payments are correctly adjusted to avoid recoupments. For questions or assistance, email [PFD\\_LFM@hhs.texas.gov](mailto:PFD_LFM@hhs.texas.gov).