FFY 2023 LoFTS FAQs

Purpose

This document addresses questions Local Funds Monitoring (LFM) has received in relation to the October 2023 reporting. For ease of reference, we have also included related background information and details surrounding upcoming LFM processes and future developments.

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List of Acronyms and Abbreviations

CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CHIRP	Comprehensive Hospital Increase Reimbursement Program
CHOW	Change of Ownership
CMS	The Centers for Medicare and 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 Payments
FFY	Federal Fiscal Year
FSS	Funding Source Statement
GL	General Ledger
GME	Graduate Medical Education
HARP	Hospital Augmented Reimbursement Program
HHS	U.S. Health and Human Services
HHSC	Texas Health and Human Services Commission
I&S	Interest and Sinking Tax Rate
IGT	Intergovernmental Transfer
LEA	Local Education Agencies (Included under LGE)
LFM	Local Funds Monitoring
LGE	Local Governmental Entity (Includes entities historically categorized as Local Education Agencies / LEAs)
LoFTS	Local Funds Tracking System
LPPF	Local Provider Participation Fund
NAIP	Network Access Improvement Program
NPR	Net Patient Revenue
NSGO	Non-State Government-Owned
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
SSA   Shared Service Arrangements
TAC   Texas Administrative Code
TIPPS   Texas Incentives for Physicians and Professional Services

Important Announcement

Module 4, which covers programs for which LGEs submit CPE (UC Ambulance, SHARS, and PHP-CCP), will not be required this reporting period. Entities that participate in these programs must still register for LoFTS and complete the FSS describing sources of revenue available to the LGE.

General Questions

Question: When is reporting due?

Answer: Reporting for FFY 2023 opens October 1, 2023 and is due/closes October 31, 2023 at 11:59 PM Central.

Question: Why is reporting required?

Answer: The Medicaid program is jointly funded by the State of Texas and the federal government. It is jointly funded to receive the federal government's share of funding for any Medicaid program, including SHARS. We are required to monitor and verify the source of the non-federal funding – public funds dedicated to the Medicaid program at either the state or local level. LFM monitors funding from LGEs, including LEAs, to ensure all local funds are derived from sources that are acceptable under federal and state law. Our goal is to collect information on the sources of public funds received to ensure that these funds are allowable under federal statutes and rules found within the SSA §1903(w) and 42 CFR §§433.50-74.

Question: Is this the first time HHSC is requiring this submission?

Answer: October 2023 reporting is the first time HHSC is collecting information from entities that participate in SHARS, UC Ambulance, and PHP-CCP. This reporting happens annually for every LGE (including LEAs) that provides non-federal share of Medicaid payments, either through an IGT or through a CPE, during each FFY (FFY 2023: October 1, 2022 and September 30, 2023).

Question: If we have already been communicating with the LoFTS team about who the certifier will be, do we still need to register?

Answer: LFM has collected names from each LGE and has a comprehensive list of approved users.

Approved users must still register for the LoFTS portal, and LFM will approve the registration based on the prior communications where we collected names.

Question: How many people from an LGE can register?

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 we recommend that each LGE has a backup in case we need to reach out for additional information.

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: LFM does not require that the Data Certifier hold any specific title, though we do recommend choosing someone whose normal role involves approving financial transactions on behalf of the entity. Third-party representatives may not act as Data Certifiers.

As discussed during the training and live Q&A session, we understand that data is not final for the FFY 2023 year, and approximations are acceptable for this reporting. We are looking for the best information available to your LGE at this time, but this is not a financial audit and HHSC will not reconcile dollar for dollar.

Question: Once we are done with the Module(s) we need to complete, do we need to continue to the other Module(s) if not applicable?

Answer: No based on your LGE's responses to the Module Determination (the first step after system registration), only the Modules that apply to your LGE will populate (with the exception of Module 4 which will still populate but is not required). You should not have access to any Module that is not applicable to your LGE. Call us if you have any issues at (737) 867-7877.

Question: After reporting, how are the entities selected for an in-depth review?

Answer: LGEs are selected for an in-depth review in accordance with the requirements of [Title 1 Texas Administrative Code Chapter 355, Subchapter L, Local Funds Monitoring.](#)

The rule specifies that LFM will first select LGEs with higher levels of risk, and then perform a random sampling to achieve the required sample size (with a 95 percent confidence level; 5 percent margin of error).

Question: We submit an IGT on behalf of the SDA. Do we need to list every provider in the SDA and provide whether we have a relationship?

Answer: Yes, if you submit IGT to HHSC as the non-federal share of Medicaid payments for a program where the IGT is used proportionately for all participating providers in an SDA, you will need to list every provider in the SDA that participates in that program:

- As an example, if your LGE transfers for [TIPPS](#) for the Bexar SDA, you would list the six TIPPS providers in the Bexar SDA by filtering the **Total Payments and IGT** tab by the SDA in Column D, (Baylor College of Medicine Physicians San Antonio, Christus Trinity Clinic, University Health System, Christus Pediatric Physician Group, Guadalupe Regional Medical Group, and The University of Texas Health Science Center at San Antonio) and then answer whether your LGE has a relationship with each of those entities listed in Column C. The program files can be found on [PFDs website](#).
- If you have a relationship with the private provider, you will also need to upload any documents related to that provider relationship* (e.g., a lease between the LGE and the private entity; a call agreement between the LGE and a private physician group; a revenue sharing agreement between the LGE and a private entity managing an LGE facility, etc.).

  Note: If you submitted these documents last year or in a previous Module and they remain UNCHANGED, you will not need to upload the documents again. You are required to upload any amendments, extensions, changes in terms, or new agreements.

▶ The following links will help in finding providers in your SDA:

  ○ **Comprehensive Hospitals List FFY 2023 from HHS Regulatory Data**: This list combines the Texas HHS General and Specialty Hospitals with the Texas HHS Private Psychiatric Hospitals and lists each hospital by county.

    Note: Clicking the link will provide a preview of the list. By next clicking Download, you will download the list as an Excel file that is searchable by county.

▶ **Texas Medicaid CHIP SDA Map effective January 2022**: This map shows the counties in each SDA.

▶ **Nursing Facilities List FFY 2023 from HHS Regulatory Data:** This list shows all the active and closed nursing facilities with the effective dates and includes any changes of ownership (CHOW).

    Note: Clicking the link will provide a preview of the list. By next clicking Download, you will download the list as an Excel file which is searchable by Nursing Facility.

Question: If we have transfer agreements with other facilities do we need to re-upload them?

Answer: No, please list transfer agreements under relationships, but LGEs are not required to upload transfer agreements at this time.

Question: Do we submit the relationship information for Module 2, Page 2 for the LGEs who transfer IGT on behalf of private providers for DSH?

Answer: No, LGEs that transfer on behalf of all private providers in the DSH program are ONLY required to add the private hospitals with which they have relationships.

Question: Is my entity required to report?

Answer: Annual reporting will be required as long as your LGE submits the non-federal share of Medicaid payments either through an IGT or through a CPE during the reporting period (FFY 2023 is between October 1, 2022 and September 30, 2023); even if the IGT is related to a previous Demonstration Year.

Question: How many years will we need to report?

Answer: Generally, LGEs will only report on one FFY at a time. Each FFY runs from October 1 through September 30, and your annual report will be for the FFY that just ended. As an example, the October 2023 reporting covers FFY 2023, which ran from October 1, 2022 through September 30, 2023.

Some programs have longer reconciliation times than others; for programs where we are seeking information outside the FFY23 time period, the question will specify the date range for information related to that particular question.

Question: How will we know which Module should be used to report IGT submitted for the Uncompensated Care program?

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

▶ **UC Hospitals** (reported in Module 1 and/or Module 2) – This is the supplemental payment program you are most likely familiar with. UC supports Texas hospitals with funding to reduce the actual uncompensated cost of medical services:
  o Module 1: Report requested information related to the IGT of LPPFs or other provider taxes.
  o 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 other provider taxes), in addition to the reporting requirements for LGEs described above for Module 1.
▶ **UC Physician** (reported in Module 3) – This supplemental payment program supports inpatient and outpatient services provided to uninsured patients who meet the provider's charity care requirements:
  o Module 3: Report requested information related to the IGT of funds to support Medicaid payment programs for non-hospital services, including nursing facility services, intermediate care facility services, and other acute or long-term care services (other than funds from LPPFs or other provider taxes). These requirements are in addition to the reporting requirements for LGEs described above for Module 1 and Module 2.
▶ **UC Dental** (reported in Module 3) – This supplemental payment program includes preventive, diagnostic, therapeutic, and emergency treatment:

- o Module 3: Report requested information related to the IGT of funds to support Medicaid payment programs for non-hospital services, including nursing facility services, intermediate care facility services, and other acute or long-term care services (other than funds from LPPFs or other provider taxes). These requirements are in addition to the reporting requirements for LGEs described above for Module 1 and Module 2.
  - ▶ **UC Ambulance** (reported in Module 4)– This program supports governmental ambulance providers that do nonemergency, and emergency patient transports that are reimbursed by Texas Medicaid:
    - o Module 4: Report requested information related to CPEs, in addition to the reporting requirements described above for Modules 1, 2, and 3.

Question: If we have a different fiscal year, do we have to follow the FFY when reporting assessments?

Answer: Yes. Data must be reported on the FFY. We are glad to assist in determining how your LGE can best meet this requirement.

Question: Patient Revenue - Does Managed Medicaid count under Medicaid Revenue?

Answer: Yes.

Question: Is there anyway the state could extend the deadline for data submission?

Answer: We have removed the requirement to complete Module 4, in part to address concerns with reporting burden coinciding with TEA reporting. LGEs/LEAs that participate in SHARS will only be required to complete the FSS, which collects information about the revenue sources available to each LGE/LEA. We are unable to provide a blanket extension to SHARS participants.

Funding Source Statement

Question: Do we need to show ALL revenue sources even if they are being restricted for use? Ex: bonds for a building improvement, interest earned on bond proceeds received for a capital project fund, Title funds, etc.?

Answer: Generally, LGEs will need to report all revenue sources; however, reporting all revenue sources for School Districts and LEAs is optional. We are trying to get a complete picture of the revenue sources available to LGEs in Texas. This information allows us to ensure all local funds used as the non-federal share of the Medicaid program are derived from sources that are acceptable under federal and state law, as well as provide examples to our federal partners of the wide array of funding sources Texas LGEs have available to them.

We are not requiring ISDs and LEAs to include restricted funds, as we understand that one school district may have hundreds of campuses, many of which could have multiple capital improvements or similar bonds. Please use your discretion – if your school district has only two bonds, for example, we would appreciate you reporting that information; however, we are keeping this an optional requirement to ease the administrative burden on LEAs in the aggregate.

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

Answer: Uploads are not required for the October reporting. However, HHSC is required to complete a specific number of in-depth reviews where we would ask for those statements. In the event your LGE is selected for an in-depth review, and we ask you for such statements (we estimate such a request would occur between December 2023 and February 2024), we will only provide you ten business days to provide the information per 1 TAC §355.8704. Uploading statements at this time is optional to prevent a quick turnaround request; however, they will not be reviewed unless your entity is selected for an in-depth review.

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

Answer: Examples include:

- ▶ Investment accounts,
- ▶ Refund on Equipment,
- ▶ Rebates,
- ▶ 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,
- ▶ Any other income that did not fall into the other categories; and/or
- ▶ Interest.

Note: If you received a federal grant, such as COVID relief or Infection Control, report it under **Federal Grants**. If you received revenue from other counties, such as payment to your LGE for providing ambulance services covering their jurisdiction, you should report this as **Contract Revenue from another Local Governmental Entity**.

Question: Will we need to report two adopted budget years for this year's reporting?

Answer: You will only have to provide reports that cover FFY 2023 (October 1, 2022 – September 30, 2023), which could include multiple budget years. You will report actual numbers in the FSS and provide budget documents. We understand the budget is an approximate amount.

Question: How much backup are you looking for regarding rental for our facilities, vending, and other various sources? How much detail are you looking for?

Answer: Please provide copies of written agreements. We are glad to discuss specific circumstances if you email LFM with a few dates and times you are available. Our email address is PFD_LFM@hhs.texas.gov.

Question: Do we report internal funding sources in LoFTS?

Answer: You should report funds from outside revenue sources only. For example, if you receive a federal grant and that grant is transferred from one department to another, we only want to see the grant funds as federal grant revenue.

Question: Where should we report I&S tax revenue that the LEAs receive?

Answer: Yes, please include the amount in **Ad Valorem Tax Revenue** under the **Funds generated directly by the LGE** on Page 1 of the FSS.

Question: FSS – SHARS - Who is the best person suited to complete LoFTS reporting for the school districts?

Answer: Each school district should identify the most appropriate contacts to enter the LoFTS information. Someone with district-wide budget expertise will be needed to answer all the questions surrounding the funding sources available to the school district.

Question: FSS - SHARS – Where do we report student and campus activity funds which belong to campus student groups and are not available for expenditure beyond that group?

Answer: We understand that student activity funds are held by a specific school or the district on behalf of a specific student group – this does not qualify as revenue.

In contrast, our understanding is that **campus activity funds** are eligible public funds that the district can allocate at its discretion – this should be included as revenue and reported as an **Other Sources of Revenue**.

Question: Can you provide clarification on local grant funds the district receives? We have an education foundation where the staff applies for grants and the funds are dedicated to the staff.

Answer: Since these funds are from a local non-profit education foundation, you can report these funds as **Other Sources of Revenue**. Student activity funds that are revenue, such as vending machine and football revenue, can also be combined and reported as **Other Sources of Revenue**.

Question: FSS – SHARS - Is there anyway the state could extend the deadline for data submission?

Answer: We have removed the requirement to complete Module 4, in part to address concerns with reporting burden coinciding with TEA reporting. LGEs/LEAs that participate in SHARS will only be required to complete the FSS, which collects information about the revenue sources available to each LGE/LEA. We are unable to provide a blanket extension to SHARS participants.

Module 1: LPPF Administrators

Question: Why do LGEs need to supply all our revenue sources when we don't put any funds into the LPPF account?

Answer: The Texas Legislature and federal Medicaid partners have asked us to track the full picture of funding available to all LGEs that help fund the Texas Medicaid program. Even if your LGE only uses LPPF funds at this time, we are still required to collect information on all revenue sources. We are glad to discuss with you individually if you email us with a few dates and times you are available. Our email address is PFD_LFM@hhs.texas.gov.

Module 2: Non-LPPF Hospitals

Question: Do we still have to list every hospital in the SDA when supporting programs shared by the SDA?

Answer: We are currently having issues with carrying forward information from last year's reporting. Until these issues are resolved, you will still have to enter the license numbers for all hospitals in your SDA. We can provide a PDF showing your LGE's reporting from last year, if requested.

You do not have to re-upload documents that were already provided for any financial relationships, so long as they remain UNCHANGED. You are required to upload any amendments, extensions, changes in terms, or new agreements.

Module 3: Non-LPPF Non-Hospital

Question: What module do we complete for RAPPS IGTs for hospital based rural health clinics?

Answer: The modules are designed to be program specific. IGT for a rural health clinic for the RAPPS program should be reported in Module 3.

Module 3: CHOW

Question: Who is required to submit CHOW documents?

Answer: If the LGE submits IGT for QIPP (1 TAC §353.1302), TIPPS (1 TAC §353.1309), or RAPPS (1 TAC §353.1315), the LGE must submit CHOW documents for any provider that was a private entity in the previous 5 years. Program requirements in the TAC for each program require LGEs that purchase, lease, or otherwise combine with a private entity to produce relevant documentation on request from HHSC. CHOW documentation is required for any transaction between a private entity and an LGE, regardless of whether the transaction impacted program eligibility.

Question: If a CHOW occurred between two LGEs, do we submit documentation?

Answer: Please provide CHOW documents for **any CHOWs between an LGE and a private provider**. If a CHOW occurs between two LGEs, include the documents only if the CHOW affected the eligibility for any of the Module 3 programs.

Question: If the LGE acquired a NF (thru the CHOW process) 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 LGE will only provide the CHOW documents if the provider was active during the FFY (October 1 through September 30) for which you are reporting. For example, if ABC Nursing Facility completed a CHOW in 2017 to the LGE, but in 2018 the LGE permanently closed, you do not need to submit the CHOW documents.

If, however, the LGE permanently closed in January 2023, then the LGE must include it in the reporting year. In this example, ABC Nursing Facility was open during the reporting period (FFY 2023), so the LGE should provide relevant CHOW documentation and note that the NF is no longer active.

Question: What kind of documents do you need for the CHOW?

Answer: Include copies of all contracts your 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).

Question: The CHOW documentation and supporting active partnership documents for QIPP were submitted in April's reporting, earlier this year. Can we note this in the Module, or do we need to resubmit this information again?

Answer: Any agreements that are unchanged do not need to be re-uploaded. Since April reporting was not in LoFTS, please reach out via email if you would like a list of documents that you emailed in conjunction with your April survey.

Question: If we went through a CHOW and now share the same Tax ID, do you still need relationship documents?

Answer: Yes, for any provider that was a private entity in the previous 5 years, agreements signed prior to CHOW, as well as any agreements related to the IGT or QIPP payments between entities sharing a tax ID, must be uploaded.

Module 3: QIPP Documentation

Question: If an NSGO NF is eligible for QIPP based on more than one criterion, do I need to list each criterion they qualify for?

Answer: Yes, you will select each eligibility criterion the NF meets.

Module 4 (No longer required): CPE Programs

Question: Does every district member of an SSA have to upload their SSA agreement for reporting?

Answer: We removed the requirement for Module 4, so we are requesting you submit a copy of the SSA using the Supplemental Information tab at the top of reporting **ONLY IF** the SSA has changed since you submitted it in STAIRS in conjunction with your FFY 2022 Cost Report. We only need one copy of the SSA agreement. If it is easy to coordinate which district can provide the document, please do so. If not, please ensure each district has a copy and they can upload it in their individual reporting. Each district will be required to report their financials separately; this response pertains ONLY to the SSA document itself.

Question: When we enter the amount of the PHP-CCP claims, are we entering cost report amounts or total charges?

Answer: Module 4 reporting is no longer required in FFY23 reporting. The FSS, which collects information on all revenue sources available to your LGE, is the only section required if the only program your LGE is participating in is PHP-CCP.

Question: Is there anyway the state could extend the deadline for data submission?

Answer: We have removed the requirement to complete Module 4, in part to address concerns with reporting burden coinciding with TEA reporting. LGEs/LEAs that participate in SHARS will only be required to complete the FSS, which collects information about the revenue sources available to each LGE/LEA. We are unable to provide a blanket extension to SHARS participants.

Question: If we only receive SHARS payments are we still required to report?

Answer: Yes, you will need to complete the FSS. Module 4 is no longer required for FFY23 reporting.

LGEs participating in SHARS

Question: What is the CFDA Number for these funds?

Answer: We ask for the total amount of all Federal Grants received by your LGE regardless of the CFDA number(s).

Question: Are LGEs reporting the cost report data somewhere?

Answer: No, we do not need a cost report from your LGE since this information is available to us. We only need the **summary** generated for the FFY. Module 4 is no longer a requirement of FFY23 reporting.

Question: Do you have any contacts for the federal government that we could reach out to and voice our opinions?

Answer: Telephone numbers and web link information related to specific Medicare questions:

- ▶ Medicare Service Center: 800-MEDICARE (800-633-4227)
- ▶ Medicare Service Center TTY: 877-486-2048
- ▶ Report Medicare Fraud & Abuse: 800-HHS-TIPS (1-800-447-8477)
- ▶ Medicare.gov
- ▶ Medicare Helpful Contacts Page
- ▶ Medicare Fraud & Abuse
- ▶ My Medicare - Access to Your Personal Medicare Information

Question: Can we get the LoFTS Registration website in a PDF so we can review everything before submitting it?

Answer: No, but you can view and download the FFY 2023 LoFTS User Guide - Registration, Login & Module Determination on our website. Screenshots of the pages you need to fill out are provided in this user guide with step-by-step instructions.

Question: As far as what is included in each category when reporting revenues, is it up to us to decide on where it fits best?

Answer: Yes. If you have any specific questions, feel free to email or call us. We can walk through your entity's specific revenue sources if needed.

Question: Due to our fiscal year and legislative changes affecting the State of Texas, none of our reporting will be finalized or accurate. What will happen if we provide this inaccurate data? Is that going to affect us in any way funding wise? Will there be any penalties?

Answer: We understand this concern based on the timeline of the reporting period. If you are selected for an in-depth review, we will address these issues with you directly and allow you to provide explanations and finalized backup to support the reported data.

This will not affect your local funds determination.

Question: What are the consequences of not submitting this report?

Answer: You will only need to complete the FSS. Module 4 is no longer required for FFY23 reporting. You will be ineligible to participate in the SHARS program and could be subject to recoupment of Medicaid funds for the years that the reporting requirements began.

Troubleshooting

Question: Why are my files being rejected and how can I submit required documentation?

Answer: LoFTS is limited to 10MB uploads per document. Please see page 11 of 25 on the FFY 2023 LoFTS User Guide – Funding Source Statement for further instructions on how to submit documents.