FAQ – Local Funds Monitoring, April 2023 Reporting

Purpose

This document addresses common questions about the Local Funds Monitoring (LFM) team's function, related background data and operations, and guidance for reporting. It also contains information regarding internal processes.

General

Question: How are the entities selected for an in-depth review?

Answer:

The Health and Human Services Commission (HHSC), Provider Finance Division (PFD), LFM team selects local governmental entities (LGEs) for an in-depth review in accordance with the requirements of the LFM rules located at 1 Texas Administrative Code §355.8704(d)(3). 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. For October 2022 reporting entities, we selected 114 LGEs of the 163 LGEs for an in-depth review to meet the required sample size (with a 95 percent confidence level;5 percent margin of error), as described in the rule. Because this first annual reporting had relatively few reporting LGEs, a majority were selected for in-depth review to meet this sampling requirement. As our reporting expands, our number of LGEs will grow, and the number selected for an in-depth review will be substantially fewer, as a percentage of the total population.

Question: How many years will we need to report?

Answer:

You will only need to report on one Federal Fiscal Year (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 2022 reporting covered FFY 2022, which ran from October 1, 2021 through September 30, 2022. In October 2023, all LGEs will report on FFY 2023, which includes data from October 1, 2022 through September 30, 2023.

Annual reporting will be required as long as your LGE submits the non-federal share of Medicaid payments either through an intergovernmental transfer (IGT) or through a Certified Public Expenditure (CPE).

Question: Is there a sample of reporting requirements?

Answer:

There are no reporting samples available; however, the April 2023 User Guide provides screenshots of the questions and what LFM is looking for as supporting documentation. You will need to fill out the relationship template, available on the PFD LFM website, and submit that and any relevant Change of Ownership (CHOW) documents to PFD_LFM@hhs.texas.gov.

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

Answer:

Any emails with attachments over 10 MB will be rejected by our system. Beginning Wednesday, April 19, 2023, we have four options:

1. **NEW!** Send an email to PFD_LFM@hhs.texas.gov and request access to upload documents to the secure LFM FTP site.
2. Send multiple emails and include **1 of X, 2 of X, etc.,** so that LFM can confirm that we've received all of your files.
3. Send a USB drive containing your documents to:

   Regular Mail:
   Texas Health and Human Services
   Attention: Provider Finance Dept
   Mail Code H-400
   P.O. Box 149030
   Austin, TX 78714-9030

   Overnight and Courier Delivery:
   Texas Health and Human Services
   Attention: Provider Finance Dept
   North Austin Complex
   Mail Code H-400
   4601 Guadalupe St
   Austin, TX 78751

4. If you reported in the LoFTS system in October 2022, please sign in to LoFTS and use the button at the top left labeled "Optional Supplemental Information" to upload large files or several documents that exceed the 10 MB limit, but are under 25 MB.

Non-Hospital Programs

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

Answer:

The Uncompensated Care (UC) program consists of four sub-programs. The reporting requirements for each sub-program are described below.

1. **UC Hospitals** (reported in Phase 1 and/or Phase 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.

    - Phase 1: On April 1, 2022, LGEs were required to begin reporting requested information related to the intergovernmental transfer (IGT) of Local Provider Participation Funds (LPPFs) or other provider taxes.

    - Phase 2: On October 1, 2022, LGEs were required to begin reporting 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 Phase 1.

2. **UC Physician** (reported in Phase 3) – This supplemental payment program supports inpatient and outpatient services provided to uninsured patients who meet the provider's charity care requirements.

    - Phase 3: As of April 1, 2023, LGEs are now required to 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 Phases 1 and 2.

3. **UC Dental** (reported in Phase 3) – This supplemental payment program includes preventive, diagnostic, therapeutic, and emergency treatment.

    - Phase 3: As of April 1, 2023, LGEs are now required to 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 Phases 1 and 2.

4. **UC Ambulance** (reported in Phase 4)– This program supports governmental ambulance providers that do nonemergency, and emergency patient transports that are reimbursed by Texas Medicaid.

- On October 1, 2023, LGEs will be required to report requested information related to certified public expenditures (CPEs), in addition to the reporting requirements described above for Phases 1, 2, and 3.

  Please Note: We mis-classified some UC Hospital participants as UC Physician participants in the original Phase 3 Governmental Entities and Programs List on the LFM website. This file has been updated, but please let us know if there are any discrepancies between your records and ours.

Question: We do not know if the DSRIP projects were for hospital or non-hospital services. If we entered DSRIP information during Phase 2 (October 2022 reporting), do we need to re-enter it in Phase 3 for the survey?

Answer:

There is no clear way to tell if the project supports a hospital or a non-hospital service. If your LGE submitted IGT in FFY 2022 for DSRIP and did not report in October 2022 in Phase 2, we ask that you fill out the Phase 3 April 2023 Survey to ensure compliance with LFM's reporting requirements. After April 2023 reporting, your LGE should have reported on ALL transfers to support DSRIP that occurred during FFY 2022.

Relationships

Question: We submit an IGT on behalf of the service delivery area (SDA). Do we need to list every provider in the SDA and provide whether or not we have a relationship?

Answer:

Yes, you will need to list each provider that participates in that specific program on the relationship template, available on the LFM website. As an example, if your LGE transfers for TIPPS for the Harris SDA, you would list the seven TIPPS providers in the Harris SDA (Baylor College of Medicine, Houston Pediatric Clinic, Matagorda Medical Group, Texas Children's Pediatrics, Tomball Woman's Health Care Center, UT Physicians, UTMB Galveston) and then list any relationships between your LGE and each of those entities. Information on participating providers in each program can be found using the PFD website payment files by program – you can use the search function to find any program by its acronym, like TIPPS.

If you do not have a relationship with a provider in the SDA (other than the IGT transfer) you will enter "no relationship" in column C (Brief Description of Relationship(s) in list form).

Revenue

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

Answer:

Examples include:

- Investment accounts
- Rental income
- Income from Medicaid programs (e.g., RAPPS, HARP, QIPP)
    - In October 2023, you will report this under patient revenue and will have an opportunity to provide the breakout by payor mix. We previously requested DSRIP funds be reported as "Other revenue," as those funds were not tied to any specific service line, but as long as it is listed on the reporting, either location is fine for DSRIP fund reporting.

Note: *If you received a federal grant, such as COVID relief or Infection Control, report it under "Federal Grants".*

Note: *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".*

If I reported Patient Revenue in Phase 2, do I report the same info in Phase 3?

Answer:

Yes, we understand there will be some duplication in the various reporting phases.

Question: The sources of funding available to our LGE are ad valorem taxes and federal grants. We also operate our own nursing home, but the revenue is in a dedicated account. Should we include patient revenue as a source of revenue for the LGE?

Answer:

Yes. In this scenario, you would select ad valorem tax revenue, federal grants, and patient revenue.

QIPP Documentation

Question: If a non-state government-owned (NSGO) nursing facility (NF) is eligible for QIPP based on more than one criterion, do I need to list each thing they qualify for?

Answer:

No, you will only list each eligible NF one time, at the first opportunity based on the eligibility criterion the NF meets. As soon as a NF meets one of the QIPP eligibility criterion, and you have listed them in the April 2023 Survey, you will not list them again if they qualify for multiple criterion. The questions appear in the following order:

1) Are they in the same Regional Healthcare Partnership?
2) Are they physically located within 150 miles of the LGE's physical location?
3) Have you owned the NF for more than five years prior to the beginning of QIPP Year 5? We are requesting CHOW documentation that occurred on or after October 1, 2016.
4) Eligibility based on active partnership.

Example: If ABC NF is two miles away, in the same RHP, and you have an active partnership with the NSGO NF, you will list ABC NF at the first opportunity – the response to Question 1 (same RHP) is yes, so you would list ABC NF under that criterion. You will NOT list ABC NF for Question 2 (within 150 miles), and you will NOT list ABC NF for Question 4 (active partnership).

Important Note: If you respond YES and list the NF on Question 1, 2, or 3, you do NOT need to provide documentation evidencing an active partnership. LGEs must ONLY provide documentation showing an active partnership if the NF's sole eligibility criterion for QIPP is an active partnership.

Change of Ownership (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 Texas Administrative Code 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 Phase 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 ABC Nursing Facility, you do not need to submit the CHOW documents.

If, however, the LGE permanently closed ABC Nursing Facility in January 2022, then the LGE must include it in reporting. In this example, ABC Nursing Facility was open during the reporting period (FFY 2022), 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).