



Report on Intergovernmental Transfers by County Indigent Health Care Programs

**As Required By
Senate Bill 872, 83rd Legislature, Regular Session, 2013,
related to Chapter 61 of the Health and Safety Code**



**Department of State Health Services
December 2014**

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Executive Summary

This report was created as required by [Senate Bill 872](#), 83rd Legislature, Regular Session, 2013, related to Chapter 61 of the Health and Safety Code. The Act requires the Department of State Health Services (DSHS) to submit a report no later than December 1, 2014, to the Governor, Lieutenant Governor, and the Speaker of the House of Representatives on the effects of the provision of the Act on services rendered to eligible residents under Chapter 61 of the Health and Safety Code.

The Act allows counties to credit an intergovernmental transfer (IGT) toward eligibility for state assistance if the transfer was made to provide health care services as part of the Texas Healthcare Transformation and Quality Improvement Program waiver issued under 42 U.S.C. Section 1315. The amount of the transfer credited toward the expenditure for state assistance may not exceed four percent of the county's General Revenue Tax Levy (GRTL) in any state fiscal year.

Based on reports submitted to DSHS from county indigent health care programs, 13 counties transferred funds for the provision of services as part of the Texas Healthcare Transformation and Quality Improvement Program waiver. Transfers from these counties total \$8,604,738. None of the 13 counties have requested state assistance under Health and Safety Code Chapter 61 for expenditures that exceed eight percent GRTL for fiscal year 2014.

Introduction

S.B. 872, 83rd Legislature, Regular Session, 2013, amended Title 2, Subtitle C, Chapter 61 of the Health and Safety Code to allow a county to credit an IGT toward eligibility for state assistance, if the transfer was made to provide health care services as part of the Texas Health Care Transformation and Quality Improvement Program waiver issued under 42 U.S.C. Section 1315.

Under the act, the county may credit the transfer toward the eligibility for state assistance, if:

- (1) The county commissioners court determines that the expenditure fulfills the county's obligation to provide indigent health care;
- (2) The county commissioners court determines that the amount of care available through participation in the waiver is sufficient in type and amount to meet the requirements of Chapter 61; and
- (3) The county receives periodic reports from health care providers that receive supplemental or incentive payments under the Texas Healthcare Transformation and Quality Improvement Program waiver that document the number and types of services provided to persons who are eligible to receive services under Chapter 61.

This amendment applies to county-run indigent health care programs that may request state assistance for reimbursement if the county expends more than eight percent of their GRTL providing health care services to eligible residents. Up to four percent of the expenditures may be met by transferring funds for the Texas Healthcare Transformation and Quality Improvement Program waiver via an IGT. The amendment does not apply to hospital districts as they are not eligible for state assistance. The bill took effect September 1, 2013.

Background

Health and Safety Code Chapter 61, the Indigent Health Care and Treatment Act, was passed by the first-called special session of the 69th Texas Legislature (1985) and is intended to ensure that Texas residents in need who do not qualify for other state or federal health care assistance programs receive health care services. Section 61.037 directs DSHS to distribute state assistance funds to counties for providing services under Sections 61.028 and 61.0285 to eligible county residents who qualify for assistance. The state assistance funds are available when the county exceeds spending eight percent of their GRTL.

Additionally, the state has been granted the Texas Healthcare Transformation and Quality Improvement Program waiver for a demonstration project to expand services for Medicaid patients in Texas. Under the Texas Healthcare Transformation and Quality Improvement Program waiver, counties may make IGTs to the state, to be used to draw matching federal dollars for Medicaid services. S.B. 872, 83rd Legislature, Regular Session, 2013, allows counties to credit up to four percent of their eight percent obligation with these IGT funds. After spending eight percent of the county GRTL, they can request state assistance.

Implementation

Counties may report monthly reimbursable expenditures to DSHS for the County Indigent Health Care Program. The report includes expenditures by expense category. Form 105, the monthly reporting form used to report county indigent expenditures (Appendix A), also includes a line to identify the amount of intergovernmental transfer. Upon receipt of this form, if an amount for the IGT is included, DSHS notifies the county that:

- The county commissioners court must certify that the expenditures meet the county’s obligation to provide indigent health care;
- The county commissioners court must determine that participation in the waiver is sufficient in type and amount to meet the requirements of the chapter; and
- The county must receive periodic reports from health care providers that document the number and types of services provided to eligible individuals under the chapter.

Counties may also report IGTs on the County Indigent Health Care Program End of Year report, Form 300 (Appendix B). All counties reporting IGTs were instructed to provide Form 105 indicating the month(s) the IGT occurred and the amount transferred, and to provide certification from the county commissioners’ court (Appendix C).

Based on reports submitted to DSHS from county indigent health care programs, 13 counties transferred funds for the provision of services as part of the Texas Healthcare Transformation and Quality Improvement Program waiver.

Table 1. Counties Submitting IGT for the Texas Healthcare Transformation and Quality Improvement Program waiver

County	Month of IGT	IGT Amount	4% of General Revenue Tax Levy	Did County Request State Assistance for Expenditures Exceeding 8% of the County’s GRTL?
Brazos	January, June	\$389,723	\$5,904,086	No
Brown	June	\$149,950	\$911,942	No
Denton	June	\$780,000	\$9,197,263	No
Galveston	May	\$1,267,148	\$9,820,471	No
Hill	June	\$250,000	\$799,859	No
Jefferson	June	\$3,600,000	\$8,832,889	No
Lee	June	\$50,000	\$557,377	No
Madison	June	\$10,884	\$454,820	No
Orange	June	\$130,568	\$2,355,296	No
Robertson	June	\$21,768	\$1,067,881	No
Taylor	June	\$416,195	\$2,741,677	No
Tom Green	August	\$1,169,875	\$1,768,463	No
Washington	January, July, October	\$368,627	\$836,132	No

Total funds reported as IGT for Texas Healthcare Transformation and Quality Improvement Program waiver \$8,604,738

Please note that additional counties not requesting or anticipating state assistance may have also transferred funds to the waiver project without reporting the funds as part of their County Indigent expenditures.

Effects of the Provision

Under this statute, counties that report IGTs are to receive reports from providers that received supplemental or incentive payments under the waiver. The reports are to document the number and types of services provided to persons who are eligible to receive services under Chapter 61 of the Health and Safety Code. These reports are provided to counties that make IGTs to HHSC as part of the waiver process.

The provision of the Act did not increase the number of counties requesting state assistance, even though the IGT could be counted toward half of the eight percent of the county GRTL for services to indigent clients.

Conclusion

S.B. 872, 83rd Legislature, Regular Session, 2013, is an opportunity to leverage funding used for services under the Texas Healthcare Transformation and Quality Improvement waiver to meet requirements of the Indigent Health Care Act. Statute allows county indigent health care programs to request state assistance once they have expended more than eight percent of the county GRTL. The IGT, under the waiver, can account for up to four percent of the expenditure. Fiscal year 2014 was the first year of implementation of the Act, and although 13 counties contributed funds through the IGT, none requested state assistance to reimburse the county for expenditures exceeding eight percent. As provided by the Act, counties making transfers gave assurance to DSHS that the IGT met the statutory requirements.



**COUNTY INDIGENT HEALTH CARE PROGRAM
MONTHLY FINANCIAL REPORT**

County Name _____ Report for (Month/Year) _____
 or
 Amendment of the Report for (Month/Year) _____

I. REIMBURSABLE EXPENDITURES during This Report Month

Physician Services	1.	
Prescription Drugs	2.	
Hospital, Inpatient Services	3.	
Hospital, Outpatient Services	4.	
Laboratory/X-Ray Services	5.	
Skilled Nursing Facility Services	6.	
Family Planning Services	7.	
Rural Health Clinic Services	8.	
State Hospital Contracts	9.	
Optional Health Care Services	10.	
Amount of Intergovernmental Transfer	11.	
Total Expenditures (Add #1 through #11.)		12.
Reimbursements Received (Do not include State Assistance.)	13. ()	
6% Eligibility System Review Findings (\$ in error)	14. ()	
Total to be Deducted (Add #13 + #14.)		15. ()
Applied to State Assistance Eligibility/Reimbursement (#12 minus #15)		16.

II. EXPENDITURE TRACKING for State Assistance Funds Eligibility/Reimbursement

TOTAL EXPENDITURES for Current State Fiscal Year (9/1 – 8/31) \$ _____
GRTL \$ _____
4% of GRTL \$ _____
6% of GRTL \$ _____
8% of GRTL \$ _____

 Signature of Person Submitting Form 105 Date

Appendix B: End of Year Report Form 300



Form 300

**COUNTY INDIGENT HEALTH CARE PROGRAM
END OF YEAR REPORT**

Entity Name: _____ State _____ Fiscal Year: _____
(September 1-August 31)

Check below which type of entity you represent:

- County

 Public Hospital

 Hospital District

I. TOTAL NUMBER OF UNDUPLICATED CLIENTS SERVED: _____

To get the number of unduplicated clients, do not count the same individual more than once.

♦ How many of these clients are SSI appellants? _____

II. TOTAL EXPENDITURES: _____

Break the total expenditures down into the following categories:

1. Physician Services	\$
2. Prescription Drugs	\$
3. Hospital, Inpatient Services	\$
4. Hospital, Outpatient Services	\$
5. Laboratory/X-Ray Services	\$
6. Skilled Nursing Facility Services	\$
7. Family Planning Services	\$
8. Rural Health Clinic Services	\$
9. State Hospital Contracts	\$
10. Optional Health Care Services	\$
11. Reimbursements/Errors	\$

III. TOTAL

DSRIP Projects: _____

Uncompensated Care: _____

Expenditures for 1115 _____

Waiver: _____

IV. DIAGNOSES – List the five top diagnoses of your clients.

1. _____
2. _____
3. _____
4. _____
5. _____

V. FEDERAL POVERTY GUIDELINE % Used to Determine Eligibility: _____

Signature of Person Submitting Form 300: _____

Telephone Number of Person Submitting Form 300: _____

Date: _____

September 2013

Appendix C: County Commissioners Court Certification



IGT Funds

**COUNTY INDIGENT HEALTH CARE PROGRAM
INTERGOVERNMENTAL TRANSFERS**

Senate Bill 872, 83rd Legislative Session states that:

A county may credit toward eligibility for state assistance intergovernmental transfers made under Subsection (d) that in the aggregate do not exceed four percent of the county's general revenue levy in any state fiscal year, provided:

(1) the commissioners court determines that the expenditure fulfills the county's obligations to provide indigent health care under this chapter;

(2) the commissioners court determines that the amount of care available through participation in the waiver is sufficient in type and amount to meet the requirements of this chapter; and

(3) the county receives periodic reports from health care providers that receive supplemental or incentive payments under the Texas Healthcare Transformation and Quality Improvement Program waiver that document the number and types of services provided to persons who are eligible to receive services under this chapter.

This certification indicates that _____ County Commissioners Court has performed due diligence to assure that the intergovernmental transfers provided by the county meet the above conditions to be considered a reimbursable expenditure for _____ (month) for the County Indigent Health Care Program.

(Signature)

(Print Name and Title)

(Date)

Optional Information:

County Tax ID Number: _____

The IGT is for (Check one):

_____ Uncompensated Care

_____ DSRIP (Delivery System Reform Incentive Payments))

If DSRIP, name of performing provider(s) and associated project ID:

Return this form via fax to (512) 776-7203 or e-mail attachment to: ihcnet@dshs.state.tx.us

May 2014