

Quarterly reports webinar 12/03/2019

1. Could you explain program income and how to report "prior year collections"?

Per Uniform Grant Management Standards __.25 Program Income,

"Program income" means gross income received by the grantee or subgrantee directly generated by a grant supported activity or earned only as a result of the grant agreement during the grant period.

"During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report.

The ECI fiscal year closes out on October 31 of the following fiscal year. The final, fourth quarter financial status report (FSR) for the fiscal year must include all financial transactions, including program income received and expenses incurred and paid, related to services provided during the prior fiscal year that are received between September 1-October 31 of the following fiscal year. Program income received between September 1-October 31 of the following fiscal year are reported under the appropriate funding category (MAC, TMHP, MCO, etc.) the same as if it was received during the fiscal year.

Program income received after November 1 for services provided during the prior fiscal year are not reported to HHSC and are considered agency funds; however, each contractor is responsible for ensuring the meet and follow the requirements of the individual funding source. For instance, Medicaid Administrative Claims (MAC) may require the funds be spent on specific activities regardless of when the MAC funds are received by the contractor.

Should they choose to, contractors may use program income received after November 1 to offset ECI expenses during the fiscal year; however, the use of these funds would be reported as "other locally collected funds" (LCF) using the miscellaneous category, rather than included in the third party billing section. Then, when the box pops up after selecting miscellaneous, the contractor would type in the type of funding being used and indicate it was from the previous year, such as "MAC collections FY2018".

2. Please explain locally collected funds again. What dates do we use?

Using FY19 as the example, all locally collected funds received between September 1, 2018- October 31, 2019 for services provided during the reporting period (FY19, September 1, 2018-August 31, 2019) will be listed in the third-party billing section. Funds received for services provided the previous fiscal year (FY19) but received November 1, 2019, or later will be considered agency funds and will be reported under other locally collected funds as miscellaneous with a description of the funding source.

If funds come in during September 1- October 31 for the services provided during the CURRENT fiscal year (in this case FY20), they will still need to be reported for FY20 and not reported on FY19 4th quarter report.

3. Funding source is done each quarter now instead of at the end of the year?

Yes

4. When listing the LCF on the quarterly, do we hand-key in the monthly amounts or are they auto populated?

These amounts need to be hand-keyed.

5. Can MAC funds be reported on an accrual basis, rather than a cash basis?

Your agency should determine the accounting basis it uses; however, it should be consistently applied across all programs and funding sources. Regardless of the basis used, it is important to maintain sufficient records and supporting documentation for future monitoring visits and audits.

6. Can you clarify how to handle the 4th Q MAC claim that spans multiple fiscal years (7/1 - 9/30) - which year is it reported as a claim - the last quarter of the year or the first quarter for the next year?

4th Q MAC claims which come in from 6/1-10/31 for services delivered at the end of the reporting fiscal year would be reported on the last quarter of the year. The only exception would be if funds come in during 9/1-10/31 for services provided during the current fiscal year.

For example, if the following amounts were received between June and October 2019:

June 2019 (for FY19 services): MAC \$1,000

July 2019 (for FY19 services): MAC \$2,000

August 2019 (for FY19 services): MAC \$3,000

September 2019 (for FY19 services): \$4,000

October 2019 (for FY19 services): \$5,000

October 2019 (for FY20 services): \$123

The FY19 fourth quarter FSR would reflect MAC collections totaling \$15,000 (June, July, August, September, and October for FY19 services)

The FY20 first quarter FSR would reflect MAC collections totaling \$123 (October for FY20 services).

***7. Will a separate 269(a) still be required for the PDG funds?
What about for SNAP-ED funding?***

Yes, PDG and SNAP Ed funds will be reported separately from the regular FSR.

8. Should cumulative claims be reported at our gross charge or the expected payment based on our contracted rates with the MCO's and insurance companies?

Cumulative claims should be reported at your gross charge.

Note: If you have not been reporting it this way, please notify us and switch to reporting the gross charge for cumulative claims beginning with your FY20 first quarter FSR.

9. Will the answers to pending questions be answered before the 1 Q report is due?

Yes

10. Will the funding application consider 2 quarters or a full year? MAC funds typically are received in the new year.

Funding application will still consider a full year. The reimbursements received after November 1 may still be used in the same way they were used when reporting as prior year collections.

11. For 11f-TMHP revenue is a combination of SST and TCM, correct?

Yes, Texas Medicaid and Healthcare Partnership (TMHP) is a combination of Specialized Skills Training(SST) and Targeted Case Management (TCM).

12. How would you label TCM revenue received after 11/1/19? Misc.-Medicaid TMHP? OR TCM?

To stay consistent, it should be listed as TMHP.

13. So, any revenue received after October 31st for services prior to FY 20 have to be reported as miscellaneous? Does that mean TMHP, MAC, etc. must be on separate lines?

Yes, if a contractor uses prior year collections to supplement their ECI program, each revenue sources should be listed as a separate miscellaneous source. This assists HHSC with tracking actual funding.

14. Just to clarify, any reimbursements received in September and October for FY 19 services were reported on the FY 19 reports, not this new report, correct? This report is only for FY 2020 forward.

This is correct. Every year, reimbursements received in September and October for services provided the prior fiscal year should be reported on the year end fourth quarter FSR.

15. I may have misinterpreted what was just said, but I thought FY19 collections received in September and October were reported on the FY19 Q4 FSR, not the FY20 Q1.

This is correct.

16. You just said FY19 revenue received in September and October should be reported in the third-party billing section; however, this was reported on our FY19 Q4, so we would not include it again on our FY20 Q1 FSR, correct?

That is correct. Program income should only be reported in one year. FY19 revenue was reported on the FY19 fourth quarter FSR and should not be included in any future years' reports.

17. Just to clarify, on the final 269a, funds received from the prior FY in September and October are reported on the top "Third Party Billing" Section, rather than the bottom Other LCF section?

That is correct.

18. Unless you need the funds to offset services for FY20? How would we carry those funds over into 20 from 19?

Program income received for services provided during a previous fiscal year that is received after November 1 is considered agency funds. If these funds are needed to offset ECI expenses, the use of these funds would be reported as "other locally collected funds" (LCF) using the miscellaneous category, rather than included in the third-party billing section. Then, when the box pops up after selecting miscellaneous, the contractor would type in the type of funding being used and indicate it was from the previous year, such as "MAC collections FY2018".