

Intergovernmental Transfers Frequently Asked Questions

Source: https://ahca.myflorida.com/Medicaid/Finance/finance/LIP-DSH/LIP/pdfs/IGT_FAQs.pdf

1. What is an intergovernmental transfer (IGT)?

An intergovernmental transfer is a method in which local (non-state) governments can transfer funds to the Agency for Health Care Administration (AHCA) to help fund the Medicaid program. IGTs received by the Agency are then used to draw down funds from the federal government as “match” funding to support the Medicaid program.

2. Will IGT contributors get back the funds they have provided?

Medical providers (local and statewide) will receive the IGT funds plus federal match. For example, if an IGT contributor provided \$0.39 during state fiscal year 2016- 17, the local and state medical providers will receive \$1.00, which includes both the original IGT contributed (\$0.39) and the federal matching funds (\$0.61).

3. How will the IGT funding be used?

For all payments made through a Medicaid program, a certain percentage comes from state and the remainder comes from federal government. The amount collected in state funds (IGTs) is then matched by the federal funds. For example, in SFY 2016-17, the state share was 39.01% resulting in a 60.99% federal match.

4. What is a Letter of Agreement (LOA)?

A LOA is contract between the Agency and an IGT contributor holding the IGT contributor accountable for transferring funds to the Agency on behalf of the specified medical facility listed on the LOA. The LOA lays out the total amount of IGTs that the IGT contributor is pledging to contribute for the state fiscal year.

5. Can an IGT contributor send in funds without signing a LOA?

No, state law specifies, “in order for the agency to certify such local governmental funds, a local governmental entity must submit a final, executed letter of agreement to the agency.” (See Senate Bill 2514 Section 9(26) from 2017 Legislative Session.)

section 9 states, “In addition, a new subsection (26) is added which In addition, a new subsection (26) is added which authorizes the use of funds from specified entities for making special exception payments under Medicaid, including federal matching funds. Local government funds may be certified as state match under federal authority as authorized in the General Appropriations Act. Stipulations are provided regarding timelines and requirements for letters of agreements with local governments for securing these funds..”

Intergovernmental Transfers Frequently Asked Questions

Source: https://ahca.myflorida.com/Medicaid/Finance/finance/LIP-DSH/LIP/pdfs/IGT_FAQs.pdf

6. Are there any penalties if an IGT contributor signs an LOA but then decides to back out of the agreement?

No, LOAs are voluntary agreements and there are no penalties for not contributing funds. However, the total allotment of the LIP program decreases when less IGTs are contributed, and payments to medical providers may also decrease as a result.

7. Can an IGT contributor send more money than agreed to on the LOA?

No, the LOA states that the IGT contributor may not exceed the specified amount of funds on the LOA. The Agency can issue an LOA amendment to support additional contributions if a provider requests to send more funding than is specified on the original LOA.

8. What governs Federal IGT's?

The LOA under Definitions indicates IGTs must be compliant with 42 CFR Part 433 Subpart B.