Texas Essential
Healthcare Partnerships

What is an LPPF?

Medicaid financing is a shared responsibility of the states and the federal government. Eligible state and local funds are matched by federal funds, then distributed to health care providers to compensate them for delivering services to Medicaid and uninsured patients.

One of the ways states fund the non-federal share is through assessments on healthcare providers. In Texas, these assessments on healthcare providers are called Local Provider Participation Funds (“LPPFs”).

- At least 32 counties and other local governments use LPPFs to help fund the non-federal share of Medicaid supplemental payments to private safety-net hospitals.
    - The government entity assesses private hospitals a mandatory payment to be deposited into an LPPF.
    - Funds from the LPPF are transferred to the State through an Intergovernmental Transfer (“IGT”), then matched by the federal government and distributed to eligible hospital providers.
- Historically in Texas, each state or local dollar is matched with more than a dollar of federal funds.

How will an LPPF benefit Burnet County?

- Establishing an LPPF will support local safety-net hospitals to:
    - Continue meeting the community’s medical needs,
    - Invest in technology, and
    - Retain and attract talented medical staff.
- Administering an LPPF will provide further support to the area's healthcare safety net:
    - *without* expanding Medicaid,
    - *without* asking the State for additional revenue, and
    - *without* taxing local residents.

County Impact Summary

- Burnet County is served by **2 hospitals**:
    - Baylor Scott & White Marble Falls
    - Ascension Seton Highland Lakes
- **29%** of Burnet County residents are either uninsured or dependent on Medicaid.
- An LPPF would generate up to **$27 million** to support the cost of care for uninsured and Medicaid patients in the community.