

Rule 12. Authorized Uses of Local Participation Fund.

(a) The District will use the money deposited to the local provider participation fund only for the following purposes:

(1) fund intergovernmental transfers from the District to the state to provide:

(A) the nonfederal share of a Medicaid supplemental payment program authorized under the state Medicaid plan, the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), or a successor waiver program authorizing similar Medicaid supplemental payment programs; or

(B) payments to Medicaid managed care organizations that are dedicated for payment to hospitals;

(2) subsidize indigent programs;

(3) pay the administrative expenses of the District;

(4) refund a portion of a mandatory payment collected in error from a paying hospital; ~~and~~

(5) refund to paying hospitals the proportionate share of money received by the District from the Health and Human Services Commission that is not used to fund the nonfederal share of Medicaid supplemental payment program payments; and

(6) refund to paying hospitals the proportionate share of money that the District determines cannot be used to fund the nonfederal share of Medicaid supplemental payment program payments.