



2023 SESSION
POSITION PAPER

BILL NO: HB 675

COMMITTEE: House Appropriations Committee

POSITION: Support

TITLE: Commission to Study Trauma Center Funding in Maryland

BILL ANALYSIS

HB 675 - Commission to Study Trauma Center Funding in Maryland establishes the Commission to Study Trauma Center Funding in Maryland to study the adequacy of trauma center funding across the State for operating, capital, and workforce costs. The Maryland Institute for Emergency Medical Services Systems (MIEMSS) and Maryland Health Care Commission (MHCC) are required to jointly chair and staff the Commission. By December 1, 2023, the Commission must report its findings and recommendations to the Governor and General Assembly.

POSITION AND RATIONALE

The Maryland Health Care Commission (MHCC) supports HB 675 and believes that having a Commission study the adequacy of the fund is not only a good idea but necessary.

The Maryland Trauma Physician Services Fund (“Trauma Fund” or “Fund”) covers the costs of medical care provided by trauma physicians at Maryland’s designated trauma centers for uncompensated care, Medicaid-enrolled patients, trauma related on-call and standby expenses, and trauma equipment grants. The Fund is financed through a \$5 surcharge on motor vehicle registrations and the biennial vehicle registration renewals.

The Maryland General Assembly enacted legislation in 2003 that created the Trauma Fund to aid Maryland’s trauma system by covering a share of trauma hospitals on-call and standby expenses related to trauma care, reimbursing trauma physicians for uncompensated care losses and by raising Medicaid payments to 100% of the Medicare rate when a Medicaid patient receives trauma care at a designated trauma center. The legislation established a very specific formula for reimbursing trauma centers for trauma-related on-call expenses for trauma surgeons, orthopedists, neurosurgeons, and anesthesiologists. The legislation directed the Health Services Cost Review Commission (HSCRC) to allow trauma center hospitals to include trauma-related standby expenses in HSCRC-approved hospital rates. The statute has been modified several times since passage in 2003; the most significant changes expanded

eligibility for fund payments to other classes of trauma physicians or increased payment levels for classes of providers. Most non-physician health care practitioners cannot receive payments from the fund because they are not included as eligible providers in the statute. The current statutory language also prevents MHCC from modifying the formula for reimbursing on-call payments, although on-call has become a growing expense for all trauma hospitals, with the exception of PARC (Primary Adult Resource Center) at the University of Maryland, which must have the core trauma team in the facility at all times.

Trauma providers have been attentive to the Trauma Fund reserve and have sought to expand eligibility when new needs arise. MHCC and the trauma providers have examined various contingencies, but the very specific formula spelled out in statute limit virtually all changes. However, with increased demand for reimbursements from the fund for on-call trauma surgeons, orthopedic surgeons, neurosurgeons, and anesthesiologists requires creative thinking on how to modify on-call reimbursement for these providers without running out of funds. In fiscal year 2022 the vehicle renewal fee revenues received by the fund totaled \$12.2 million. Payments to all eligible providers (and the associated administrative costs with making those payments) totaled \$11.5 million, with an additional \$194,080 awarded as biennial trauma equipment grants to eligible trauma centers. The fund reserve at the end of fiscal 2022, including a \$4.0 million fund transfer under the Budget Reconciliation and Financing Act of 2022, was \$6.7 million. Although there is an adequate reserve in the Trauma Fund, the reserve exists because the reimbursement formulae in the statute are very specific. Trauma providers and MHCC also agree that there are unmet trauma needs that are not authorized in statute and therefore not reimbursed. This legislation would establish a Commission to consider all options and then report its recommendations to the Governor and General assembly.

The Commission under HB 675 must make findings and recommendations regarding: changes in staffing, recruitment, compensation, or other factors that would impact the funding needed to operate a trauma center in the State; changes to approved uses of MTPSF over time; the amount of funding needed to adequately fund trauma centers in the State; the funding mechanisms available to adequately fund trauma centers; and funding criteria that would impact the receipt of funds by existing or new trauma centers. We agree that these areas need review and recommendations for change.

For these reasons the Maryland Health Care Commission asks for a favorable report on HB 675.

Note: The Maryland Health Care Commission is an independent State agency, and the position of the Commission may differ from the position of the Maryland Department of Health.

