MARYLAND TRAUMA PHYSICIAN SERVICES FUND
Health General Article § 19-130

Operations from July 1, 2010 through June 30, 2011

Report to the

MARYLAND GENERAL ASSEMBLY

Marilyn Moon, Ph.D.
Chair

Ben Steffen
Acting Executive Director
Maryland Health Care Commission

John M. Colmers
Chair

Stephen Ports
Acting Executive Director
Health Services Cost Review Commission

Prepared by the
Maryland Health Care Commission

This annual report on the Maryland Trauma Physicians Services Fund for fiscal year 2011 meets the reporting requirement set forth in Health General § 19-130(e) that directs the Maryland Health Care Commission and the Health Services Cost Review Commission to report annually to the Maryland General Assembly on the status of the Fund.

Table of Contents

Executive Summary

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 renewals.

Payments to eligible providers and the administrative costs associated with making those payments totaled about $11,564,939 in FY 2011, down from FY 2010. Comparing FY 2011 to FY 2010, uncompensated care payments declined and on call trauma payments increased due to implementation of statutory changes made in 2008. Administrative costs declined in 2010 due to lower uncompensated care claims payments and a reduction in the Commission's third party administrator's fee per claim processed. Transfers from the Motor Vehicle Administration (MVA) to the Fund increased by about $20,000 in FY 2011.

The Maryland Health Care Commission (Commission) approved an 8 percent across the board reduction in payment rates for FY 2010 (with the exception of Medicaid) due to the downturn in automobile registration revenue and an expected increase in uncompensated care claims. A $3.6 million surplus existed at the start of FY 2011; however, current law limits total payments in any fiscal year to revenue collected in that same year. The revenue that will be generated through automobile registrations and renewals is again unlikely to fully fund all needs in FY 2012; therefore, the 8 percent reduction remains a prudent step and will be applied to all Trauma Fund disbursements, excluding Medicaid, in FY 2012.

The Commission informed the trauma community that higher on call payments for Level III trauma centers authorized by legislation passed in 2009 could not be implemented due to the disbursement limitation. Future legislation should grant the Commission flexibility to spend a percentage of the Fund's surplus to meet current obligations.[1]

MHCC has identified several options that the Maryland General Assembly could enact that better balance spending and payments and tie more thoughtful policymaking into the payment reduction decision-making process. The options have been generally discussed with representatives in the trauma community. MHCC has recommended that the Maryland General Assembly remove the restriction that expenditures from the Fund may not exceed the Fund's revenues in a fiscal year.

MHCC projects that the Trauma Fund will face funding challenges through FY 2014. Implementation of the insurance coverage provisions of the Patient Protection and Affordable Care Act (ACA) in January 2014 should lead to reduced pressure on the Fund as a significant share of those currently uninsured will gain access to coverage. With nearly half of the 750,000 Maryland uninsured gaining access to coverage, uncompensated care payments should decline significantly beginning in FY 2015.

[1] HB 521 (Maryland Trauma Physician Services Fund – Rural Trauma Centers - Reimbursement) permits the Level III Trauma Centers to receive stipends for on call up to 70,080 hours per year to maintain trauma surgeons, orthopedic surgeons, neurosurgeons, anesthesiologists, plastic, major vascular, oral or maxillofacial, and thoracic surgeons on call, effective October 1, 2009. If expected revenue in the Fund is insufficient to meet expected payments, the Commission may not reimburse Level III Trauma Centers for on call hours under this change for Trauma on call hours exceeding 35,040 until the remaining costs eligible for reimbursement for Level I, II, III, pediatric and specialty referral centers are fully funded.

Background

During the 2003 legislative session, the Maryland General Assembly enacted legislation creating the Maryland Trauma Physician Services Fund to aid Maryland's trauma system by reimbursing trauma physicians[2] for uncompensated care losses and by raising Medicaid payments to 100 percent of the Medicare rate when a Medicaid patient receives trauma care at a designated center. The legislation also established a formula for reimbursing trauma centers for trauma-related on call expenses for trauma surgeons, orthopedists, neurosurgeons, and anesthesiologists.[3] 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 legislation has been expanded several times since passage in 2003; expanding eligibility for Fund payments to other classes of trauma physicians and/or increased payment levels for classes of providers. These changes are summarized below in Table 1.

Table 1: Statutory Changes – 2006-2009
2006 – Expanded eligibility to uncompensated care and extended Medicaid reimbursement to physicians providing trauma. Increased on call payments to Level II and Level III Trauma Centers. Replaced the per specialty limit for on call hours with a per center limit on hours. Extended uncompensated care payments to include the Johns Hopkins Burn Center, Johns Hopkins Eye Trauma at the Wilmer Eye Institute, and the Hand Trauma Center at Union Memorial. Increased the ceiling on the stipend for Children's National Medical Center to $490,000. Awarded a one-time grant to Union Memorial Hand Center and trauma equipment grants to 7 Level II and Level III Centers.
2008 – Permitted the Level I Trauma Center, Pediatric Trauma Center, and 3 specialty referral centers to receive a limited on call stipends. Authorized physicians to receive uncompensated care payments for care provided at trauma center-affiliated rehabilitation hospitals. Raised the cap on uncompensated care reimbursement for emergency medicine physician practices. Increased the annual grant to Children's National Medical Center to $590,000. Permitted MHCC to award grants to Level II and Level III centers for trauma related equipment and systems from Fund balances. Permitted MHCC to adjust uncompensated care and on call rates.
2009 – Permitted Level III Trauma Centers to receive on call stipends for up to 70,080 hours per year to maintain trauma surgeons, orthopedic surgeons, neurosurgeons, anesthesiologists, plastic, major vascular, oral or maxillofacial, and thoracic surgeons. Gave MHCC authority not to reimburse Level III Trauma Centers for on call hours under this change for Trauma on call hours exceeding 35,040 until the remaining costs eligible for reimbursement for Level I, II, III, pediatric and specialty referral centers are fully funded.

Status of the Fund at the End of FY 2011

There has been little improvement in Maryland's economy during Fiscal Year 2011. The economic downturn and resulting job losses pushed more Maryland residents into the ranks of the uninsured over the past four years. Uncompensated care payments, Medicaid shortfall payments, and on call and standby stipends have

[2] COMAR 10.25.10 originally defined trauma physicians as trauma surgeons, anesthesiologists, orthopedic surgeons, neurosurgeons, critical care physicians, and emergency room physicians to conform to the statutory definition.

[3] On call requirements under the Maryland Institute for Emergency Medical Services Systems (MIEMSS) standards for Maryland trauma centers require that physicians be available to respond within 30 minutes. Standby requirements state that the physician must be at the facility, ready to respond. Level III trauma centers may operate with all trauma physicians on call, though a center is permitted to have physicians on standby. Level II centers must have trauma surgeons on standby status, but other physicians are permitted to be on call. Level I centers must have physicians in all MIEMSS-designated specialties on-site at all times.

increased, while revenue from automobile registrations and registration renewals remained stable. The Commission approved an 8 percent reduction in Fund disbursements for FY 2010, which began July 1, 2009, and remains in effect as of the writing of this report. The Commission is required to maintain solvency in the Fund under the law.

Collections by MVA via the $5 surcharge were **$11,544,887,** which were similar to the $11,564,059 collected in 2010 and nearly $700,000 less than the $12.2 million collected in FY 2009. The Trauma Fund disbursed about **$11,564,939** to trauma centers and trauma physician practices over the past fiscal year. Table 2 summarizes the revenue, disbursements, and the Fund balances at the end of FY's 2009, 2010, and 2011.

Table 2 - Trauma Fund Status on a Cash Flow Basis, FY's 2009-2011

CATEGORY	2009	2010	2011
Fund Balance Start of FY	$20,554,098	$3,831,632	$3,577,745
Collections from the $5 Registration Fee (and interest)	$12,151,684	$11,564,059	$11,584,887
Credit Recoveries	$1,137,070	$869,535	$722,107
TOTAL FUNDS (Balance, Collections, Recoveries)	$33,842,852	$16,265,226	$15,884,739
-- Uncompensated Care Payments	-6,403,698	-5,183,510	-4,613,037
-- On Call Expenses	-5,456,237	-5,865,210	--5,883,212
-- Medicaid Payments	-153,920	-506,408	-267,249
-- Children's National Medical Center Standby	-490,000	-542,800	-542,800
--Trauma Equipment Grants (disbursed from the surplus funds)	0	-199,997	0
-- Administrative Expenses	-507,366	-389,556	-258,641
--Transfer to State's General Fund	-17,000,000	-178,444	0
Total Expenditures	-$30,011,221	-$12,687,481	-$11,564,939
TRAUMA FUND BALANCE, FY END	**$3,831,631**	**$3,577,745**	**$4,319,800**

Outstanding Obligations for FY 2011

The Fund incurred outstanding obligations of approximately $4.07 million, which are not reflected in the FY 2011 year-end balance in Table 2 above. These obligations result from applications for uncompensated care, Medicaid, on call, and standby expenses for services provided in FY 2011. As in past years, these obligations will be paid from the Fund's revenue collected by the MVA on registrations and renewals in the first three months of FY 2012.

Table 3 – FY 2010 Obligations Incurred after Year End
(Amounts Shown Reflect the Continuing 8 Percent Reduction Adopted by MHCC in July 2009)

Uncompensated Care claims	**$455,486**
On call stipends	**$3,523,813**
Children's National Medical Center FY 2010 Standby Expenses	**$542,800**
TOTAL INCURRED BUT NOT PAID IN 2011	**$4,066,613**

Payment to Practices for Uncompensated Trauma Care

During FY 2011, uncompensated trauma care services were reimbursed at 92 percent of the Medicare rate for the service in the Baltimore area pricing locality. Before applying for uncompensated care payments, a practice must apply its routine collection policies--confirming that the patient has no health insurance and billing the patient. If the patient is uninsured and full payment (100 percent of the Medicare fee or more) is not received from the patient, the service can be written off as uncollectible and, therefore, eligible for uncompensated care reimbursement. This requirement is consistent with the legislative intent, which made the Fund the payer of last resort for practices providing trauma services. Table 4 presents the distribution of uncompensated care by the trauma center in which the care was provided from FY 2009 through 2011.

Facility	% of Uncompensated Care Payments FY 2009	% of Uncompensated Care Payments FY 2010	% of Uncompensated Care Payments FY 2011
R. Adams Cowley Shock Trauma Center	**29.9%**	**31.84%**	**34.38%**
Johns Hopkins Hospital	**23.7**	**15.57**	**15.58**
Prince George's Hospital Center	**19.5**	**19.37**	**19.45**
Johns Hopkins Bayview Medical Center	**3.0**	**7.17**	**7.49**
Suburban Hospital	**6.0**	**6.71**	**5.68**
Peninsula Regional Medical Center	**5.9**	**5.89**	**5.28**
Sinai Hospital	**3.0**	**4.4**	**3.0**
Johns Hopkins Regional Burn Center	**3.0**	**3.12**	**2.18**
Washington County Hospital Center	**1.9**	**2.64**	**2.33**
Western Maryland Health System	**1.8**	**1.07**	**0.73**
Maryland Eye Trauma Center	**1.5**	**1.59**	**1.32**
Johns Hopkins Hospital Pediatric Center	**0.8**	**0.63**	**0.37**

Beginning in FY 2007, the Trauma Fund reimbursed physicians for follow-up care provided after the initial hospitalization. Plastic surgery, ophthalmic, oral, maxillofacial, and orthopedic surgery often occur after the hospital visit. Burn care treatment, in particular, can extend for a considerable time after the initial injury. In recognition of these concerns and to ensure that care is provided in the most cost-effective manner, subsequent follow-up care is reimbursed by the Trauma Fund if the treatment is directly related to the initial injury. To be considered for payment, services must be provided in a hospital or trauma-center affiliated rehabilitation hospital setting.

Payment for Services Provided to Patients Enrolled in Medicaid

Trauma care provided to Medicaid patients is reimbursed at 100 percent of the Medicare Baltimore locality rate, instead of the standard Medicaid rate. The Trauma Fund is responsible for 50 percent of the difference between the Medicare rate and the standard Medicaid rate and the federal government is responsible for the other 50 percent. MHCC anticipates that the program will continue to encounter significant delays in reporting to the Trauma Fund on money owed. These delays are attributable to the small amount of money involved and the complexity associated with identifying trauma services that are eligible for reimbursement from the Trauma Fund, especially for Medicaid Managed Care Organization (MCO) beneficiaries.

Table 5 – Trauma Fund Payments to Medicaid
FY 2011

Month	Amount Billed
September 2010	$15,502
October 2010	25,125
November 2010	22,282
December 2010	46,130
February 2011	55,730
March 2011	25,098
May 2011	56,734
June 2011	20,649
TOTAL	**$267,249**

Payment for Trauma On Call Services

Hospitals reimburse physicians for taking call or serving on standby.[4] On call and standby payments compensate physicians for foregoing work in a non-hospital setting where reimbursement may be higher and uncompensated care losses are lower. Payments for on call and standby are dependent on local market factors. Shortages of physicians practicing certain surgical specialties, especially in rural areas, may push payments higher. An ample supply of physicians may eliminate the need to offer payments. The need to ensure physician availability is especially acute in trauma care. Most trauma center hospitals reimburse physicians when they provide on call services, and certainly do so when physicians are on standby at the hospital. Level III trauma centers must maintain 30 minute maximum response times for trauma surgeons, anesthesiologists, neurosurgeons, and orthopedists. Level II centers must have a trauma surgeon and an anesthesiologist on standby and a neurosurgeon and orthopedist on call and able to respond within 30

[4] A physician on call is available and able to reach the hospital within 30 minutes of notification. When on standby, the physician is at the hospital ready to respond.

minutes. Level II trauma centers may substitute a third year surgical resident for a trauma surgeon; and the trauma surgeon then must be on call.

On call expenses were reimbursed for the number of on call hours provided up to a maximum of 35,040 hours per year. FY 10 is the first year that the expanded on call stipends were reimbursed to the specialty trauma centers as a result of the statutory changes enacted in 2008. None of the centers reached the maximum payment ceilings allowable under the Fund in FYs 2009 and 2010 because some specialties operated on standby, a higher level of availability. Some physician contracts allow for on call payments only when the physician is on call and not providing care. If a physician is called to the hospital and generating billable services, the hospital does not reimburse for on call for those hours. Several of the Level II trauma centers do not pay call for anesthesiologists for this reason. Other trauma center hospitals maintained orthopedic or neurosurgery availability without on call payments.

Table 6 – On call Payments to Trauma Centers, FY's 2008-2011

Trauma Center	FY 2009	FY 2010	FY 2011
Johns Hopkins Bayview Medical Center	$732,539	$718,361	$749,465
Prince George's Hospital Center	512,751	486,541	441,751
Sinai Hospital of Baltimore	574,366	622,543	703,008
Suburban Hospital	629,183	562,857	637,892
Peninsula Regional Medical Center	1,114,371	1,054,478	1,095,481
Meritus Medical Center (formerly Washington County Hospital Association)	958,409	958,354	939,441
Western Maryland Regional Medical Center (formerly Western Maryland Health System)	772,935	763,636	836,936
Johns Hopkins Adult Burn Center	n/a	118,502	68,462
Johns Hopkins Wilmer Eye Center	n/a	134,013	68,462
Johns Hopkins Pediatric Trauma	n/a	135,435	136,926
Union Memorial, Curtis National Hand Center	n/a	135,338	68,462
TOTAL	**$5,294,554**	**$5,690,058**	**$5,865,210**

HSCRC Standby Expense Allocation

The HSCRC used the Reasonable Compensation Equivalent (RCE) developed by Medicare to set reasonable allowable standby cost ceilings.[5] The actual costs per hour of standby were compared to these cost ceilings to include standby costs in the applicable hospital's rate base in FY 2005. Approximately $4.1 million was included in FY 2005 rates for standby costs. Overall rates are updated each year (including these standby amounts) by applying the current year update factor to aggregate charges from the previous year. Table 7 presents the amount of applicable standby costs in each trauma center hospital's approved rates after the update factors have been applied.

HSCRC continues to collect standby cost data from hospitals with trauma centers on an annual basis. If a hospital wishes to increase standby expenses in rates and qualifies under HSCRC rules and procedures, a full rate review would be required. HSCRC would utilize the annual standby cost data collected from all trauma centers in its full rate review analysis. Standby allocation costs do not have a financial impact on the Fund because the expenses are incorporated into the hospitals' approved rates.

Table 7- Maryland Trauma Standby Costs in HSCRC-Approved Rates FY 2011.

Trauma Center	Inpatient	Outpatient	Total
Johns Hopkins Hospital	$1,011,289	$152,371	$1,163,659
Prince George's Hospital Center	1,943,046	55,438	1,998,4831
Sinai Hospital	776,843	642,378	1,419,221
Suburban Hospital	510,908	211,439	722,482
Peninsula Regional Medical Center	-	-	-
Meritus Medical Center	632,783	308,698	941,482
Western Maryland Regional Medical Center	378,484	77,327	501,446
Total	**$5,253,353**	**$1,447,650**	**$6,746,774**

Note: Peninsula Regional Medical Center reports no standby costs. Approximately $4,127,800 in standby expense was included in FY 2005; the difference is due to the cumulation of HSCRC's annual updates for inpatient and outpatient services in FY's 2006-2011, including an update factor of 1.41% in FY 2011.

Payment to Children's National Medical Center for Standby Expense

The law allows the Fund to issue an annual grant of up to $590,000 to Children's National Medical Center (CNMC, Children's) for providing standby services that are used by Maryland trauma patients. The annual grant increased from a maximum allowable stipend of $275,000 to $490,000 as a result of changes at the close of the 2006 legislative session and another increase of $100,000 as a result of legislative changes in 2008. Children's reported $1,629,846 in standby expenses FY 2011; $1,550,187 in standby expenses in FY 2010; approximately $1

[5] The RCE limits are updated annually by CMS on the basis of updated economic index data. Notice is published in the *Federal Register*, setting forth the new limits. The RCE applicable to the various specialties is obtained from that notice. If the physician specialty is not identified in the table, the RCE is used for the total category in the table.

million in comparable standby expenses for FY 2009; and approximately $1.1 million in standby expenses in FY 2008. The FY 2011 payment of $542,800 (the annual stipend of $590,000 minus the 8% Fund reduction) will appear in disbursements in FY 2012, as the application was received from CNMC in September 2011.

Trauma Equipment Grant Program

As a result of the passage of SB 916 in 2008, the MHCC, in conjunction with HSCRC and MIEMSS, developed a process for trauma equipment grants. The Commission disbursed $28,571 to each of the Level II and Level III trauma centers in FY 2010, for a total trauma equipment grants' expenditure of $199,997 from the Trauma Fund surplus. The Trauma Equipment Grant program will resume in FY 2012.

MHCC Administrative Expenses

The MHCC incurs personnel and contract costs associated with the administration of the Fund, though it has never sought reimbursement for those costs associated from the Fund. Approximately one FTE was dedicated to Fund activities in 2011, with most of the expense attributable to activities related to the administration of the Fund, including program and contract management. The MHCC incurs additional contractual expenses related to the administration of the Fund and these costs are charged to the Fund.

Audit Expenses

MHCC completed an RFP for audit services in FY 2009. The contract was awarded to Clifton Gunderson, LLP, to review the on call, standby, equipment grant, and uncompensated care applications submitted to the Fund. The Trauma Fund will recover $100,000 as a result of the most recent audit findings conducted from July 2010 through June 2011. Clifton Gunderson is in the process of a third round of uncompensated care and on call audits since the award of the contract.

Administrative Costs: Use of a Third Party Administrator (TPA)

The MHCC contracts with CoreSource, Inc., with offices in White Marsh, Maryland, to provide claim adjudication services. MHCC awarded a five-year contract to CoreSource in December 2006 and modified in 2009. The contract funds will be spent somewhat ahead of schedule because claim volume has been higher than expected. At the request of Commission staff, CoreSource reduced its costs per claim at the end of 2009. The vendor began accepting electronic claims in ANSI 837 format in 2010. Wider use of electronic claims submission by practices in this narrow niche market will also lower costs to the vendor.

Revenue and Reimbursement Outlook

Table 8 presents estimated revenue (collections from the $5 motor vehicle surcharge) and projected disbursements for 2012. The MHCC estimates that revenue from the MVA will be stable at the 2010 and 2011 levels and increase modestly (3 percent) as the economy strengthens.

Growing uncompensated care payments are the single most important driver of higher payments in the program. Uncompensated care payments will continue to grow because the weak national economy will mean continued high unemployment in the state, which translates to a higher number of uninsured. When these uninsured people suffer traumatic injuries, the physician portion of the costs of care provided at Maryland's trauma centers for those patients becomes the obligation of the Fund.

Other categories of disbursement covered by the Trauma Fund are capped by statute or will experience little growth. Most Maryland Trauma Centers are collecting close to the full amount of on-call payment for which they are eligible. Since these payments are at the ceilings, on-call can increase only by the inflation adjustment MHCC uses to increase payments levels. MHCC projects Medicaid underpayment to remain stable over the next two years. The Maryland Patients' Access to Quality Health Care Act passed in the 2004 session required DHMH to raise physician fees under Medicaid to 80-100 percent of Medicare fees, if funds were available. Medicaid has decided to delay increased physician fee levels due to the current budget crisis. MHCC believes that trauma payments to make up the differences between Medicare and Medicaid will continue to be small.

MHCC expects to apply the 8 percent reduction in uncompensated care and on call payments that was first implemented in 2010 and continued in 2011. The MHCC reluctantly adopted this reduction in 2009, effective in FY 2010, as payments would otherwise have exceeded the revenue collected. Although we expect revenue to increase in 2012, we expect payments to increase even faster, largely due to growing uncompensated care spending.

Additional on call obligations to Level III trauma centers, as permitted under the legislation passed in 2009, cannot be met given the current funding mechanism. The 2009 legislation allowed MHCC to meet the additional on-call obligations to Level III centers from current year funds after all other obligations have been met. MHCC does not expect to consider the new on-call payment requirements for Level III centers until FY 2015, when the spending outlook will improve.

MHCC projects that the Trauma Fund will continue to face funding challenges through FY 2014. Implementation of the insurance coverage provisions of the Patient Protection and Affordable Care Act (ACA) in January 2014 should lead to reduced pressure on the Fund as a significant share of those currently uninsured will gain access to coverage. With nearly half of the 750,000 uninsured gaining accesses to coverage, uncompensated care payments should decline significantly beginning in FY 2015.

Table 8 – Actual and Projected Trauma Fund Spending 2009-2012

	Actual FY 2009	Actual FY 2010	Actual FY 2011	Projected FY 2012
Carryover Balance from Previous Fiscal Year	$20,554,098	$3,831,632	$3,577,745	$4,319,273
Collections from the $5 surcharge on automobile renewals	$12,151,684	$11,564,059	$11,584,887	$12,566,000
TOTAL BALANCE and COLLECTIONS	$33,842,852	$16,265,225	$15,162,632	$16,885,273
Total Funds Appropriated			$11,700,000	$12,200,000
Credits	$1,137,070	$869,535	$722,107	$700,000
Payments to Physicians for Uncompensated Care	($6,403,698)	($5,183,510)	($4,613,037)	($5,392,924)
Payments to Hospitals for On Call	($5,456,237)	($5,865,210)	($5,883,739)	($6,102,164)
Medicaid	($153,920)	($506,408)	($267,249)	($209,000)
Children's National Medical Center	($490,000)	($542,800)	($542,800)	($542,800)
MHCC Administrative Expenses (TPA & Audit)	($507,300)	($507,366)	($258,641)	($535,600)
Trauma Grants (funding drawn from Fund Balance)			$0	($300,000)
Transfers to the General Fund	($17,000,000)	$178,444	$0	$0
PROJECTED YEAR-END BALANCE	$3,831,631	$3,577,631	$4,319,273	$3,802,275
Note: 2010 actual spending and 2011- 2012 estimated spending reflect 8 percent reductions in payments for uncompensated and on-call.				

Maintaining Reimbursement Levels and Fund Stability

The MHCC believes the stability of the Fund can be maintained over the next several years by using current authority to reduce payment levels. Although across the board spending cuts are politically easier to implement, continuing to reduce payments by 8 percent over the long run may not be the most effective approach to managing the Fund. It should be noted that consensus has been a key success factor in the trauma coalition's campaign to establish financial support of the Maryland trauma care system. Under the current statute, MHCC has very limited authority to implement targeted reductions.

MHCC has identified several options that the Maryland General Assembly could enact that better balance spending and payments and tie more thoughtful policymaking into the payment reduction decision-making process. The options have been generally discussed with representatives in the trauma community. MHCC has recommended that the Maryland General Assembly remove the restriction that expenditures from the Fund may not exceed the Fund's revenues in a fiscal year. The options are shown in Table 9, below.

Table 9 – Options for Modifying the Trauma Fund to Maintain Fund Stability

	Strengths/ Weaknesses
1. **Give MHCC greater flexibility in how the previous year balance can be spent**. §§ 19-130 (e)(1) states, "... notwithstanding any other provision of law, expenditures from the Fund for costs incurred in any fiscal year may not exceed revenues of the Fund in that fiscal year." This provision would allow MHCC to periodically assess financial needs, given the Fund balance.	Greater flexibility to set payment priorities
2. **Establish a clear priority for sequencing payments**. Spells out a payment sequence. Under §§ 19-130 (d)(7)(i), the Commission may not reimburse Level III trauma centers for trauma on call hours under paragraph (4)(i)6 of this subsection or for trauma on call hours exceeding 35,040 hours until the remaining costs eligible for reimbursement under paragraph (4) of this subsection are fully funded. All other cost areas have equal priority. Further delineating priorities would be expanded to specify, for example, that uncompensated care be financed before on call payments were made.	Limited flexibility further delineates already defined priorities. Difficult for priorities to change, as importance is established in the statute.
3. **Do not pay for certain types of trauma services, such as those that do not lead to a hospital admission.** Historically, the Trauma Fund has reimbursed for any trauma-related service under the theory that physicians are eligible for uncompensated care any time the trauma team is activated and a patient is seen. Given the Fund shortfall, low severity cases limited to evaluations and consultations would not be covered. The financial burden of this change would fall heaviest on emergency medicine physicians, as that specialty is most frequently involved in the initial patient assessments.	Shifts the focus from providers to patients. Low intensity patients are not covered. Adds new incentives to the system at a time when system is undergoing change.

Appendices

Appendix Table 1

Maryland Motor Vehicle Registration Fees
Collections per Month, FY 2011

Month	Total Revenue
Jul-10	1,032,987
Aug-10	1,080,920
Sep-10	982,625
Oct-10	1,053,818
Nov-10	828,529
Dec-10	828,529
Jan-11	798,159
Feb-11	923,597
Mar-11	1,094,659
Apr-11	1,043,527
May-11	913,180
Jun-10	1,004,356
Total	$11,584.887

Appendix Table 2

Uncompensated Care Payments in FY 2011, Percent Paid by Practice

Participating Practice	Percent of Claims Paid
Physician Name	0.32
Abdul Cheema	
Allegany Imaging, PC	0.35
Allegany Plastic Surgery	0.37
Aminullah Amini	0.57
Andrew Panagos	0.03
Anuradha Kulkarni	0.08
Athol Morgan	0.00
Bethesda Chevy Chase Orthopaedic Assoc., LLP	0.33
Bijan Bahmanyar	1.87
Blue Ridge Anesthesia Associates	0.02
Brajendra Misra	1.41
Capital Cardiovascular and Thoracic Surgery	0.05
Carlton Scroggins	0.05
Center for Joint Surgery & Sports Medicine	0.04
Center for Oral and Facial Reconstruction	0.23
Central ENT Clinic	0.03
Christopher Forthman	0.05
David Whittaker	0.10
Delmarva Radiology, PA	0.55
Drs. Falik & Karim, PA	0.62
Drs. Groover, Christie, and Merritt	0.13
Emergency Services Associates	2.85
Enrique Daza	0.10
Ernest Hanowell, M.D., PC	0.01
Figueroa & Ashker MDS, PA	0.07
First Colonies Anesthesia, LLC	0.69
Gary Warburton	0.00
Ira M. Garonzik, MD, PA	0.24
JHU, Clinical Practice Association	27.19
Jacek Malik, Peninsula Regional Medical Center	0.01
James Gasho	0.27
James Robey	0.20
James S. Albertoli, MD, FACS, LLC	0.82
Jeffrey Muench	1.02
Kanu Patel MD PA	0.05
Kenneth Means	2.10
Konrad Dawson	0.41
Larry Bryant	0.33
Meritus Physicians - Trauma	0.28
Mid-Atlantic Orthopaedic Specialists	0.07

Participating Practice	Percent of Claims Paid
Mohammad Khan	2.83
Mohammad Naficy	0.50
Montague Blundon III	1.37
Neurosurgical Specialists LLC	0.29
Nia D Banks MD PhD LLC	0.05
North American Partners-Maryland	0.66
Ortho Trauma Bethesda	0.77
PGHC Anesthesia Associates	2.99
Paul Olumuyiwa	0.39
Peninsula Neurosurgical Associates	0.14
Peninsula Orthopedic Associates, PA	0.70
Peninsula Pulmonary Associates, PA	0.02
Premier Radiology Associates	0.43
Ramin Jebraili	0.03
Sagar Nootheti	0.47
Said A Daee MD PA	2.87
Shock Trauma Associates, P.A.	14.33
Sinai Surgical Assoc	0.32
Syed Ashruf	0.25
Sylvanus Oyogoa	1.34
Trauma Surgery Associates	1.03
Trauma Surgical Associates	1.02
UMOTO-HNS, P.A.	0.01
Univ of MD Anesthesia Associates, P.A.	0.03
Univ of MD Diagnostic Imaging Specialists, P.A.	8.56
Univ of MD Eye Associates, PA	0.11
Univ of MD Oral Maxial Surgical Associates	1.25
Univ of MD Ortho Trauma Associates	9.10
Univ of MD Orthopaedics Assoc., PA	0.90
Univ of MD Pathology Assoc., PA	0.02
Univ of MD Physicians, P.A.	0.11
Univ of MD Surgical Associates, PA	0.15
Vascular Surgery Associates	0.11
Vincent Casibang	0.07
Washington County Hospital Trauma Physicians	0.42
Wendell Miles	0.14
William I Smith Jr., MD PC	0.00
Willie Blair	2.17
Yardmore Emergency Physicians	0.14
All	100.00