

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

*Operations from July 1, 2013 through June 30, 2014*

*Report to the*

**MARYLAND GENERAL ASSEMBLY**

**November 2014**

**Craig Tanio, MD, MBA**  
**Chair**

**John M. Colmers**  
**Chair**

**Ben Steffen**  
**Executive Director**  
**Maryland Health Care Commission**

**Donna Kinzer**  
**Executive Director**  
**Health Services Cost Review Commission**

Prepared by the  
Maryland Health Care Commission



MARYLAND  
HEALTH CARE  
COMMISSION

---

***Craig P. Tanio, MD, Chair***

*Chief Medical Officer*

ChenMed

Garret A. Falcone, NHA, Vice Chair  
Executive Director  
Heron Point of Chestertown

Michael S. Barr, MD, MBA, FACP  
Executive Vice President  
National Committee for Quality Assurance

John E. Fleig, Jr.  
Chief Operating Officer  
UnitedHealthcare  
MidAtlantic Health Plan

Paul Fronstin, PhD  
Director, Health Research and Education  
Program  
Employee Benefit Research Institute

Kenny W. Kan, CPA, FSA & CFA  
Senior Vice President/Chief Actuary  
CareFirst BlueCross BlueShield

Michael McHale, MHA, NHA  
Chief Executive Officer  
Hospice of the Chesapeake

Barbara Gill McLean, MA  
Retired Senior Policy Fellow  
University of Maryland School of Medicine

Kathryn L. Montgomery, PhD, RN, NEA-BC  
Associate Dean, Strategic Partnerships &  
Initiatives, Associate Professor  
University of Maryland School of Nursing

Ligia Peralta, MD, FAAP, FSAHM  
President and CEO  
Casa Ruben Foundation

Frances B. Phillips, RN, MHA  
Health Care Consultant

Glenn E. Schneider, MPH, BS  
Chief Program Officer  
The Horizon Foundation

Diane Stollenwerk, MPP  
President  
StollenWerks, Inc.

Stephen B. Thomas, PhD  
Professor of Health Services Administration,  
School of Public Health  
Director, Maryland Center for Health Equity  
University of Maryland, College Park

Adam J. Weinstein, MD  
Medical Director  
Nephrology and Transplant Services  
Shore Health System

*This annual report on the Maryland Trauma Physicians Services Fund for fiscal year 2014 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.*

This report was completed by the Commission's Administrative Center under the direction Bridget Zombro, Director of Administration. Karen Rezabek wrote the report. Brian Banschbach manages the revenue and expenditures for the Trauma Fund. For information on this report, please contact Karen Rezabek at 410-764-3259 or by email at [karen.rezabek@maryland.gov](mailto:karen.rezabek@maryland.gov).

## Table of Contents

<b>Executive Summary .....</b>	<b>5</b>
<b>Background.....</b>	<b>6</b>
<b>Status of the Fund at the End of FY 2014 .....</b>	<b>7</b>
<b>Outstanding Obligations for FY 2014 .....</b>	<b>7</b>
<b>Payment to Practices for Uncompensated Trauma Care .....</b>	<b>8</b>
<b>Payment for Trauma On Call Services.....</b>	<b>9</b>
<b>Payment for Services Provided to Patients Enrolled In Medicaid .....</b>	<b>10</b>
<b>HSCRC Standby Expension Allocation .....</b>	<b>11</b>
<b>Payment to Children's National Medical Center for Standby Expense.....</b>	<b>11</b>
<b>MHCC Administrative Expenses .....</b>	<b>12</b>
<b>Audit Expenses .....</b>	<b>12</b>
<b>Administrative Costs: Use of a Third Party Administrator (TPA).....</b>	<b>12</b>
<b>Revenue and Reimbursement Outlook.....</b>	<b>12</b>
<b>Maintaining Reimbursement Levels and Fund Stability .....</b>	<b>13</b>
<b>Appendices .....</b>	<b>15</b>

## 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 were about \$12.8 million in FY 2014. Comparing FY 2014 to FY 2013, uncompensated care payments decreased slightly and on call trauma payments increased. Transfers from the Motor Vehicle Administration (MVA) to the Fund increased by \$300,000 in FY 2014; while administrative costs also increased. Reimbursements to the Fund from physicians paid for uncompensated care claims and from other sources were more than \$480,000, an increase from those received in FY 2013.

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, which remained in effect throughout FY 2014.

The Office of Legislative Audits found in 2011 that the Commission “did not require its contractor to confirm that trauma patients were listed on the Trauma Registry” and that physicians had been reimbursements for care provided to patients not found on the Trauma Registry and not eligible for reimbursement of claims from physicians, in compliance with State law and its contract. MHCC immediately required the Trauma Fund’s third party administrator to reinstate the confirmation that all Trauma Fund patients are on the Trauma Registry. Commission staff has been diligent in analyzing whether Trauma Fund claims received by the Commission’s contractor for the period 2007 through 2011 were listed on the Maryland Trauma Registry retrospectively. Commission staff and participating physician practices compared more than 4,900 claims to the Trauma Registry, representing payments of approximately \$3.192 million. For the vast majority of those claims, it has been verified by the staff and participating physicians that the patient was included on the Trauma Registry. To date, the Commission has recovered \$7,522 as a result of the registry verification process.

Implementation of the insurance coverage provisions of the Patient Protection and Affordable Care Act (ACA) should lead to reduced financial 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 by 2018, uncompensated care payments should decline slowly beginning in FY 2015.

MHCC has identified 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.

## 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<sup>1</sup> 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.<sup>2</sup> 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.

<b>Table 1: Statutory Changes – 2006-2013</b>
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.
2012 – Removed the statutory restriction that expenditures from the Fund may not exceed the Fund’s revenues in a fiscal year.
2013 – Section 2, chs. 546 and 547, Acts 2009, (additional on call reimbursement for Level III trauma centers noted above) was abrogated and of no further force and effect as of the end of September, 2013.

<sup>1</sup> 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.

<sup>2</sup>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.

## Status of the Fund at the End of FY 2014

Collections by MVA via the \$5 surcharge were \$11,957,131. The Trauma Fund disbursed about \$11,151,470 to trauma centers and trauma physician practices over the past fiscal year. Table 2, below, summarizes the revenue, disbursements, and the Fund balances at the end of fiscal years 2012, 2013, and 2014.

**Table 2 - Trauma Fund Status on a Cash Flow Basis, FY's 2012-2014**

CATEGORY	FY 2012	FY 2013	FY 2014
Fund Balance at Start of Fiscal Year	\$4,319,800	\$4,375,193	\$4,673,677
Collections from the \$5 Registration Fee (and interest)	\$11,683,370	\$11,609,441	\$11,957,131
Credit Recoveries	\$529,443	\$332,423	\$483,836
<b>TOTAL FUNDS (Balance, Collections, Recoveries)</b>	<b>\$16,532,613</b>	<b>\$16,317,057</b>	<b>\$17,114,644</b>
-- Uncompensated Care Payments	-\$4,794,732	-\$4,834,368	-\$4,786,633
-- On Call Expenses	-\$5,961,370	-\$5,774,302	-\$6,568,473
-- Medicaid Payments	-\$255,372	-\$197,481	-\$118,961
-- Children's National Medical Center Standby	-\$542,800	-\$542,800	-\$542,800
--Trauma Equipment Grants (disbursed from the surplus funds)	-298,571	\$0	-\$398,231
-- Administrative Expenses	-\$304,575	-\$294,429	-\$402,308
Total Expenditures	-\$12,157,420	-\$11,643,380	-\$12,817,406
<b>TRAUMA FUND BALANCE, FY END</b>	<b>\$4,375,193</b>	<b>\$4,673,677</b>	<b>\$4,297,238</b>

In 2014, the overall economy improved in Maryland. The Maryland Motor Vehicle Administration (MVA) reported collecting more revenue in FY 2014 than in FY 2013. MHCC has asked the MVA to provide further information on its collections. Given the slow growth in revenue from registrations, the Commission will continue to apply an 8 percent reduction in Fund disbursements in FY 2014. These reductions started July 1, 2009 and are needed because the Commission is required to maintain solvency in the Fund.

## Outstanding Obligations for FY 2014

The Fund incurred outstanding obligations of approximately \$5 million, which are not reflected in the FY 2014 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 2014. As in past years, these obligations

have been paid from the Fund’s revenue collected by the MVA on registrations and renewals in the first three months of FY 2015.

**Table 3 – FY 2014 Obligations Incurred after Year End  
(Amounts Shown Reflect the Continuing 8 Percent Reduction)**

Uncompensated Care claims	\$1,229,430
On call stipends	\$3,152,546
Children’s National Medical Center FY 2013 Standby Expenses	\$542,800
Medicaid	\$18,356
<b>TOTAL INCURRED BUT NOT PAID IN FY 2014</b>	<b>\$4,924,776</b>

**Payment to Practices for Uncompensated Trauma Care**

Table 4 presents the distribution of uncompensated care by the trauma center in which the care was provided for the fiscal years 2012 through 2014.

**Table 4 –Distribution of Uncompensated Care Payments by Trauma Center, FYs 2012-2014**

Facility	% of Uncompensated Care Payments FY 2012	% of Uncompensated Care Payments FY 2013	% of Uncompensated Care Payments FY 2014
R. Adams Cowley Shock Trauma Center and University practices	52.84	49.48	47.71
Johns Hopkins Hospital Adult Level 1	15.47	17.35	16.25
Prince George's Hospital Center	15.7	18.48	17.64
Johns Hopkins Bayview Medical Center	3.89	0.92	2.87
Suburban Hospital	2.97	4.79	5.56
Peninsula Regional Medical Center	5.10	3.17	4.19
Sinai Hospital	0.96	1.64	1.67
Johns Hopkins Regional Burn Center	0.49	0.24	.32
Meritus Medical Center (formerly Washington County Hospital)	1.40	1.10	1.21
Western Maryland Health System Memorial Trauma Center	0.35	1.16	0.86
Maryland Eye Trauma Center	0.53	0.55	0.51
Johns Hopkins Hospital Pediatric Center	0.13	0.01	0.11
Curtis National Hand Center	Not reported	1.11	1.10

During FY 2014, 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 confirm that the patient has no health insurance and directly bill the patient –applying its routine collection policies. 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 eligible for uncompensated care reimbursement. This requirement is consistent with the legislative intent, which made the Fund the payer of last resort for physicians providing trauma services.

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 eligible for payment, services must be provided at the trauma center or trauma center- affiliated rehabilitation hospital setting.

### Payment for Trauma On Call Services

Hospitals reimburse physicians for being on call or standby. 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. 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. Hospitals negotiate on call and standby arrangements with physician practices that are essential to hospital operations. 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. The need to ensure physician availability is especially important in trauma care. Most trauma center hospitals reimburse physicians when they provide on

**Table 5 – On Call Payments to Trauma Centers, FY’s 2012-2014**

<b>Trauma Center</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Johns Hopkins Bayview Medical Center	\$743,795	\$400,874*	\$1,163,825
Johns Hopkins Adult Level One	140,230	143,332	147,846
Prince George’s Hospital Center	497,945	527,488	447,957
Sinai Hospital of Baltimore	695,702	635,068	710,528
Suburban Hospital	704,988	685,600	718,206
Peninsula Regional Medical Center	1,100,080	1,157,600	1,175,238
Meritus Medical Center (formerly Washington County Hospital Association)	962,912	987,005	1,006,367
Western Maryland Regional Medical Center (formerly Western Maryland Health System)	766,794	807,339	801,914
Johns Hopkins Adult Burn Center	70,116	71,666	73,328
Johns Hopkins Wilmer Eye Center	70,116	71,666	73,318
Johns Hopkins Pediatric Trauma	140,230	\$214,998*	146,638
Union Memorial, Curtis National Hand Center	68,462	71,666	73,318
<b>TOTAL</b>	<b>\$5,961,370</b>	<b>\$5,774,302</b>	<b>\$6,568,473</b>

\* Bayview did not receive the on-call stipend for the second half of FY 2013 until FY 29=014. MHCC also requested a payment of \$71,666 to Johns Hopkins Pediatric Trauma that was erroneously paid twice. These funds will be recovered when the On Call stipends are paid for the period July 1 through December 31, 2013.

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 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 are reimbursed for the number of on call hours provided up to a maximum of 35,040 hours per year. FY 2010 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 the past several years 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 on call for those hours. Several of the Level II trauma centers do not pay call for anesthesiologists for this reason.

**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 6 – FY 2014 Trauma Fund Payments to Medicaid**

<b>Month</b>	<b>Amount Billed</b>
June 2013	18,356
July 2013	16,363
August 2013	7,145
September 2013	11,803
October 2013	6,301
November 2013	8,274
December 2013	7,432
January 2014	8,641
February 2014	7,512
March 2014	10,541
April 2014	8,532
May 2014	8,059
<b>TOTAL</b>	<b>\$118,961</b>

## HSCRC Standby Expense Allocation

The HSCRC used the Reasonable Compensation Equivalent (RCE) developed by Medicare to set reasonable allowable standby cost ceilings.<sup>3</sup> 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 2014**

Trauma Center	Inpatient	Outpatient	Total
Johns Hopkins Hospital	\$1,033,571	\$161,375	\$1,194,946
Prince George's Hospital Center	1,958,858	57,714	2,017,572
Sinai Hospital	793,960	680,339	1,474,299
Suburban Hospital	522,165	223,934	746,099
Peninsula Regional Medical Center	-	-	-
Meritus Medical Center	646,776	326,941	973,717
Western Maryland Regional Medical Center	386,823	81,896	468,719
<b>Total</b>	<b>\$5,342,153</b>	<b>\$1,532,199</b>	<b>\$ 6,875,352</b>

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 2006-2014.

## 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 pediatric 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 \$1,604,471 in standby costs for Maryland pediatric patients in FY 2014; \$1,632,240 in FY 2013; and \$1,520,533 in FY 2012. The FY 2014 payment of \$542,800 (the annual stipend of \$590,000

<sup>3</sup> The RCE limits are updated annually by CMS on the basis of updated economic index data. Notice setting forth the new limits is published in the *Federal Register*. 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.

minus the 8% Fund reduction) will appear in disbursements in FY 2015, as the application was received from CNMC in August of 2014, following the close of the fiscal year.

### **Trauma Equipment Grant Program**

The Commission disbursed approximately \$57,000 to each of the Level II and Level III trauma centers in FY 2014, for a total trauma equipment grants' expenditure of \$398,231 from the Trauma Fund surplus.

### **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 2014, 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 for audit and third party administration services and these costs are charged to the Fund.

### **Audit Expenses**

MHCC completed an RFP for MHCC audit services in FY 2013. The contract was awarded to Myers and Stauffer LC in January of 2013 to review the on call, standby, equipment grant, and uncompensated care applications submitted to the Fund. The Trauma Fund recovered \$60,287 as a result of the most recent audit findings conducted from July 2013 through June 2014.

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

The Commission continued to contract with CoreSource, Inc. to provide claim adjudication services. MHCC awarded a five-year contract to CoreSource in December 2013.

### **Revenue and Reimbursement Outlook**

Table 8 presents estimated revenue (collections from the \$5 motor vehicle surcharge) and projected disbursements for 2014. The MHCC estimates that revenue from the MVA will increase modestly (3 percent).

Growing reimbursement for on call services is the single most important driver of higher payments in the program. 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. MHCC projects the 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 from 80 to 100 percent of Medicare fees, if funds were available. MHCC believes that trauma payments to make up the differences between Medicare and Medicaid will continue to be small.

MHCC expects to continue the 8 percent reduction in uncompensated care and on call payments until we see an increase in revenue or decrease in payments for uncompensated care. The Commission 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 slightly in 2015, we also expect payments to increase, largely due to uncompensated care and on call reimbursement spending.

**Table 8 – Actual and Projected Trauma Fund Spending for FYs 2012-2015**

	<b>Actual FY 2013</b>	<b>Actual FY 2014</b>	<b>Projected FY 2015</b>
Carryover Balance from Previous Fiscal Year	\$4,375,193	\$4,673,677	\$4,297,238
Collections from the \$5 surcharge on automobile renewals	\$11,609,441	\$11,957,131	\$11,960,000
<b>TOTAL BALANCE and COLLECTIONS</b>	\$15,984,634	\$17,114,644	\$16,257,238
<b>Total Funds Appropriated</b>	\$12,200,000	\$12,000,000	\$12,000,000
<b>Credits</b>	\$332,423	\$483,836	\$400,000
Payments to Physicians for Uncompensated Care	(\$4,834,368)	(\$4,786,633)	(\$4,787,000)
Payments to Hospitals for On Call	(\$5,774,302)	(\$6,568,473)	(\$6,800,000)
<b>Medicaid</b>	(\$197,481)	(\$118,961)	(\$120,000)
Children’s National Medical Center	(\$542,800)	(\$542,800)	(\$542,800)
MHCC Administrative Expenses (TPA & Audit)	(\$294,429)	(\$402,308)	(\$400,000)
Trauma Grants (funding drawn from Fund Balance)	0	(\$398,231)	0
Transfers to the General Fund	\$0	\$0	\$0
<b>PROJECTED FISCAL YEAR-END BALANCE</b>	\$4,673,677	\$4,297,238	\$4,007,438

Additional on call obligations to Level III trauma centers, as permitted under the legislation passed in 2009, were not met given the current funding mechanism. The additional funding was not available during the four years that this provision was in effect and, at the end of September 30, 2013, with no further action of the General Assembly, the requirement for additional funding was abrogated and of no further force and effect.

MHCC projects that the Trauma Fund’s challenges in funding levels will begin to abate by FY 2015. 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 estimated 750,000 uninsured gaining access to coverage, uncompensated care payments should begin to decline in FY 2015.

**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 options that the Maryland General Assembly could enact that will result in greater reimbursement for trauma physicians while providing overall system efficiencies.

The options have been generally discussed with representatives in the trauma community and were well received. They are set forth in Table 9, below.

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

Option	Strengths/Weaknesses
<p>1. <b>Revise the process for payment of uncompensated care by deleting payment per claim. Payments to providers would be paid on a quarterly basis, calculated by averaging the percent of claims paid over the past three fiscal years to each provider. The Commission would hold back two percent per quarter for payment to newly participating trauma physicians. This process revision would require statutory and regulatory changes prior to implementation.</b></p>	<p>Permits MHCC to share more Trauma Fund revenue with trauma physicians by deleting the adjudication of claims. Trauma Net physicians were enthusiastic about this option, based upon preliminary conversations Commission staff held with them.</p>
<p>2. <b>Establish a timeframe for eligibility of uncompensated care reimbursement.</b> Limit the look-back period for claims eligibility. Currently, MHCC does not limit the look-back period for uncompensated care trauma services. Recently, we identified claims for trauma services that were submitted more than five years after the initial trauma event. <b>This process revision would require a regulatory change prior to implementation.</b></p>	<p>Permits MIEMSS Trauma Registry validation to be restricted to a three year time horizon.</p>

## Appendices

**Appendix Table 1**

**Maryland Motor Vehicle Registration Fees  
Collections per Month, FY 2014**

<b>Month</b>	<b>Revenue</b>
<b>Jul-13</b>	<b>\$1,229,213</b>
<b>Aug-13</b>	<b>\$1,053,551</b>
<b>Sep-13</b>	<b>\$976,915</b>
<b>Oct-13</b>	<b>\$1,024,287</b>
<b>Nov-13</b>	<b>\$801,992</b>
<b>Dec-13</b>	<b>\$804,928</b>
<b>Jan-14</b>	<b>\$960,268</b>
<b>Feb-14</b>	<b>\$808,655</b>
<b>Mar-14</b>	<b>\$1,033,327</b>
<b>Apr-14</b>	<b>\$1,116,598</b>
<b>May-14</b>	<b>\$1,009,782</b>
<b>Jun-14</b>	<b>\$1,137,615</b>
<b>Total Revenue FY 2014</b>	<b>\$11,957,131</b>

**Appendix Table 2**  
**Uncompensated Care Payments in FY 2014,**  
**Percent Paid by Practice**

Participating Practice	Percent of Claims Paid
Abdul Cheema	0.18
Adam Mecinski	0.02
Adam Schechner	2.55
Allegany Imaging, PC	0.67
Allegany Plastic Surgery	0.21
Aminullah Amini	1.76
Antoine Johnson	0.21
Bethesda Chevy Chase Orthopaedic Assoc., LLP	0.01
Bijan Bahmanyar	1.12
Brajendra Misra	1.54
Center for Oral and Facial Reconstruction	0.12
Center for Joint Surgery & Sports Medicine	0.05
Community Surgical Practice LLC	0.3
Delmarva Radiology, PA	1.3
Dimensions Healthcare Associates, Inc.	2.94
Drs. Falik & Karim, PA	0.42
Drs. Groover, Christie & Merritt	0.22
Emergency Services Associates	1.63
First Colonies Anesthesia, LLC	0.55
Imran H. Chowdury	0.02
JHU, Clinical Practice Association	19.74
Jacek Malik, Peninsula Regional Medical Center	0.08
Jeffrey Muench	0.42
Johns Hopkins Community Physicians	0.98
James Robey	0.01
Joseph Michaels	0.02
Konrad Dawson	0.51
Larry Bryant	0.52
MEP LLC	0.35
Meritus Physicians - Trauma	0.77
Mid-Atlantic Orthopaedic Specialists	0.04
Mohammad Khan	4.18
Mohammad Naficy	0.10

<b>Participating Practice</b>	<b>Percent of Claims Paid</b>
Montague Blundon, III	1.11
North American Partners-Maryland	0.26
Ortho Trauma Bethesda	0.62
Peninsula Orthopedic Associates, PA	0.19
Robert Karp	0.01
Sagar Nootheti	0.02
Said A Dae MD PA	1.14
Shock Trauma Associates, P.A.	18.92
Sinai Surgical Associates	0.23
Syed Ashruf	0.08
Trauma Surgery Associates	0.64
Trauma Surgical Associates	0.57
UMOTO-HNS, P.A.	0.87
Univ of MD Anesthesia Associates, P.A.	0.06
Univ of MD Diagnostic Imaging Specialists, P.A.	11.75
Univ of MD Eye Associates, PA	0.06
Univ of MD Oral Maxial Surgical Associates	1.12
Univ of MD Ortho Trauma Associates	16.45
Univ of MD Orthopaedics Assoc., PA	0.55
Univ of MD Pathology Assoc., PA	0.23
Univ of MD Physicians, P.A.	0.17
Univ of MD Surgical Associates, PA	0.19
Vascular Surgery Associates	0.20
Wendell Miles	0.03
William I Smith Jr, MD PC	0.01
Willie Blair	0.02
Yardmore Emergency Physicians	0.96
All	100%