

**SENATE BILL 479**  
**Unofficial Copy**

2003 Regular Session

CHAPTER \_\_\_\_\_

AN ACT concerning

**Maryland Trauma and Emergency Medical Response  
System - Funding and Structure**

FOR the purpose of establishing the Maryland Trauma Physician Services Fund; stating the purpose of the Fund; specifying the manner in which expenditures may be made from the Fund; specifying certain criteria and parameters to be taken into account in developing a certain reimbursement methodology; requiring trauma physicians and trauma centers seeking reimbursement from the Fund to apply in a certain manner; requiring the Maryland Health Care Commission and the Health Services Cost Review Commission to adopt regulations that specify certain information trauma physicians and trauma centers must submit to receive money from the Fund; stating the intent of the General Assembly that trauma physicians and trauma centers cooperate with the Maryland Health Care Commission and the Health Services Cost Review Commission; stating the intent of the General Assembly that certain hospitals maintain their efforts to subsidize certain trauma-related costs for a certain purpose; requiring the Maryland Health Care Commission and the Health Services Cost Review Commission to file a certain annual report with the General Assembly in a certain manner; specifying a certain purpose of the Maryland Health Care Commission; specifying a certain duty of the Health Services Cost Review Commission; altering the amount of a certain motor vehicle registration surcharge; requiring that a certain amount of a certain surcharge be paid into the Fund; requiring certain entities for which funds are appropriated in the annual State budget from the Emergency Medical System Operations Fund to make a certain report on or before a certain date and annually thereafter; establishing a Joint Legislative Committee to study and make recommendations about the structure and funding of the State's emergency medical response system; requiring the Committee to submit certain reports to the Governor and certain committees of the General Assembly on or before certain dates; providing for the termination of the Committee; requiring the Maryland Institute for Emergency Medical Services Systems (MIEMSS) to study and make recommendations on whether a need exists to designate a certain out-of-state trauma center as a member of the State trauma system; requiring MIEMSS to conduct a review of certain trauma centers and make recommendations regarding certain trauma designation levels; requiring MIEMSS to submit a certain report to the Governor and certain committees of the General Assembly on or before a certain date; requiring the Health Services Cost Review Commission to submit certain reports on the inclusion of certain

costs in the State's hospital rate setting system and on certain grants made to a certain trauma center to the Governor and certain committees of the General Assembly on or before certain dates; requiring the Health Services Cost Review Commission to develop guidelines for approving a certain grant to a certain trauma center; requiring the Maryland Health Care Commission and the Health Services Cost Review Commission to adopt regulations that establish a methodology for allocating certain disbursements from the Maryland Trauma Physician Services Fund; providing that it is the intent of the General Assembly that the Maryland Health Care Commission and the Health Services Cost Review Commission shall give priority to meeting the funding needs of certain trauma centers' on-call costs; providing that, as of a certain date, Motor Vehicle Administration registration renewal notices shall include certain increased surcharges; defining certain terms; providing for the termination of certain provisions of this Act; providing for the termination of this Act; and generally relating to trauma physicians, trauma services, and the State's emergency medical response system.

BY repealing and reenacting, with amendments,  
Article - Health - General  
Section 19-103(c) and 19-207(b)  
Annotated Code of Maryland  
(2000 Replacement Volume and 2002 Supplement)

BY adding to  
Article - Health - General  
Section 19-130  
Annotated Code of Maryland  
(2000 Replacement Volume and 2002 Supplement)

BY repealing and reenacting, with amendments,  
Article - Transportation  
Section 13-954(b)  
Annotated Code of Maryland  
(2002 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article - Health - General**

19-103.

(c) The purpose of the Commission is to:

- (1) Develop health care cost containment strategies to help provide access to appropriate quality health care services for all Marylanders, after consulting with the Health Services Cost Review Commission;
- (2) Promote the development of a health regulatory system that provides, for all Marylanders, financial and geographic access to quality health care services at a reasonable cost by:
  - (i) Advocating policies and systems to promote the efficient delivery of and improved access to health care services; and
  - (ii) Enhancing the strengths of the current health care service delivery and regulatory system;
- (3) Facilitate the public disclosure of medical claims data for the development of public policy;
- (4) Establish and develop a medical care data base on health care services rendered by health care practitioners;
- (5) Encourage the development of clinical resource management systems to permit the comparison of costs between various treatment settings and the availability of information to consumers, providers, and purchasers of health care services;
- (6) In accordance with Title 15, Subtitle 12 of the Insurance Article, develop:
  - (i) A uniform set of effective benefits to be included in the Comprehensive Standard Health Benefit Plan; and
  - (ii) A modified health benefit plan for medical savings accounts;
- (7) Analyze the medical care data base and provide, in aggregate form, an annual report on the variations in costs associated with health care practitioners;
- (8) Ensure utilization of the medical care data base as a primary means to compile data and information and annually report on trends and variances regarding fees for service, cost of care, regional and national comparisons, and indications of malpractice situations;
- (9) Establish standards for the operation and licensing of medical care electronic claims clearinghouses in Maryland;

(10) Reduce the costs of claims submission and the administration of claims for health care practitioners and payors;

(11) Develop a uniform set of effective benefits to be offered as substantial, available, and affordable coverage in the nongroup market in accordance with § 15-606 of the Insurance Article;

(12) Determine the cost of mandated health insurance services in the State in accordance with Title 15, Subtitle 15 of the Insurance Article;

(13) Promote the availability of information to consumers on charges by practitioners and reimbursements from payors; and

(14) Oversee and administer the Maryland trauma physician services fund in conjunction with the Health Services Cost Review Commission.

19-130.

(A) (1) In this section the following words have the meanings indicated.

(2) "Fund" means the Maryland Trauma Physician Services Fund.

(3) (I) "Trauma Center" means a facility designated by the Maryland Institute for Emergency Medical Services Systems as:

1. The State Primary Adult Resource Center;
2. A Level I trauma center;
3. A Level II trauma center;
4. A Level III trauma center; or
5. A Pediatric trauma center.

(II) "Trauma Center" includes an out-of-state pediatric trauma center that has entered into an agreement with the Maryland Institute for Emergency Medical Services Systems.

(4) "Trauma Physician" means a trauma surgeon, an orthopedic surgeon, a neurosurgeon, an intensive care unit physician, an anesthesiologist, or an emergency physician who provides care in a trauma center to trauma patients on the State Trauma Registry.

(5) "Uncompensated Care" means care provided by a trauma physician to a trauma patient on the State Trauma Registry who:

Coverage;

- (I) has no health insurance, including Medicare Part B
- (II) is not eligible for Medical Assistance coverage; and
- (III) has not paid the trauma physician for care provided by the trauma physician, after documented attempts by the trauma physician to collect payment.

(B) (1) There is a Maryland Trauma Physician Services Fund.

(2) The purpose of the Fund is to subsidize the documented costs:

- (I) of uncompensated care incurred by a trauma physician in providing trauma care to a trauma patient on the State Trauma Registry;

- (II) of undercompensated care incurred by a trauma physician in providing trauma care to an enrollee of the Maryland Medical Assistance Program who is a trauma patient on the State Trauma Registry;

- (III) incurred by a trauma center to maintain trauma physicians on-call as required by the Maryland Institute for Emergency Medical Services Systems; and

- (IV) incurred by the Commission and the Health Services Cost Review Commission to administer the Fund and audit reimbursement requests to assure appropriate payments are made from the Fund.

(3) The Commission and the Health Services Cost Review Commission shall administer the Fund.

(4) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(5) Interest on and other income from the Fund shall be separately accounted for and credited to the Fund, and are not subject to § 6-226(A) of the State Finance and Procurement Article.

(C) The Fund consists of motor vehicle registration surcharges paid into the Fund in accordance with § 13-954(B)(2) of the Transportation Article.

(D) (1) Disbursements from the Fund shall be made in accordance with a methodology established jointly by the Commission and the Health Services Cost Review Commission to calculate costs incurred by trauma physicians and trauma centers that are eligible to receive reimbursement under subsection (B) of this section.

(2) The Fund shall transfer to the Department of Health and Mental Hygiene an amount sufficient to fully cover the State's share of expenditures for the costs of undercompensated care incurred by a trauma physician in providing trauma care to an enrollee of the Maryland Medical Assistance Program who is a trauma patient on the State Trauma Registry.

(3) The methodology developed under paragraph (1) of this subsection shall:

(I) take into account:

1. The amount of uncompensated care provided by trauma physicians;
2. The amount of undercompensated care attributable to the treatment of Medicaid enrollees in trauma centers;
3. The cost of maintaining trauma physicians on-call;
4. The number of patients served by trauma physicians in trauma centers;
5. The number of Maryland residents served by trauma physicians in trauma centers; and
6. The extent to which trauma-related costs are otherwise subsidized by hospitals, the federal government, and other sources; and

(II) Include an incentive to encourage hospitals to continue to subsidize trauma-related costs not otherwise included in hospital rates.

(4) The methodology developed under paragraph (1) of this subsection shall use the following parameters to determine the amount of reimbursement made to trauma physicians and trauma centers from the Fund:

(I) 1. The cost incurred by a Level II trauma center to maintain trauma physicians on-call shall be reimbursed:

A. At a rate of up to 20% of the reasonable cost equivalents hourly rate for the specialty, inflated to the current year by the physician compensation component of the Medicare Economic Index as designated by the Centers for Medicare and Medicaid Services, multiplied by 8,760 hours; and

B. For the minimum number of trauma physicians required to be on-call, as specified by the Maryland Institute for Emergency Medical Services Systems in its criteria for Level II trauma centers; and

2. The cost incurred by a Level III trauma center to maintain trauma physicians on-call shall be reimbursed:

A. At a rate of up to 30% of the reasonable cost equivalents hourly rate for the specialty, inflated to the current year by the physician compensation component of the Medicare Economic Index as designated by the Centers for Medicare and Medicaid Services, multiplied by 8,760 hours; and

B. For the minimum number of trauma physicians required to be on-call, as specified by the Maryland Institute for Emergency Medical Services Systems in its criteria for Level III trauma centers;

(II) The cost of undercompensated care incurred by a trauma physician in providing trauma care to enrollees of the Maryland Medical Assistance Program who are trauma patients on the State Trauma Registry shall be reimbursed at a rate of up to 100% of the Medicare payment for the service, minus any amount paid by the Maryland Medical Assistance Program;

(III) The cost of uncompensated care incurred by a trauma physician in providing trauma care to trauma patients on the State Trauma Registry shall be reimbursed at a rate of up to 100% of the Medicare payment for the service, minus any recoveries made by the trauma physician for the care; and

(IV) The total reimbursement to emergency physicians from the Fund may not exceed \$250,000 annually.

(5) In order to receive reimbursement, a trauma physician in the case of costs of uncompensated care under subsection (B)(2)(I) of this section, or a trauma center in the case of on-call costs under subsection (B)(2)(III) of this section, shall apply to the Fund on a form and in a manner approved by the Commission and the Health Services Cost Review Commission.

(6) (I) The Commission and the Health Services Cost Review Commission shall adopt regulations that specify the information that trauma physicians and trauma centers must submit to receive money from the Fund.

(II) The information required shall include:

1. The name and federal tax identification number of the trauma physician rendering the service;
2. The date of the service;
3. Appropriate codes describing the service;

4. Any amount recovered for the service rendered;
5. The name of the trauma patient;
6. The patient's trauma registry number; and
7. Any other information the Commission and the Health Services Cost Review Commission consider necessary to disburse money from the Fund.

(III) It is the intent of the General Assembly that trauma physicians and trauma centers shall cooperate with the Commission and the Health Services Cost Review Commission by providing information required under this paragraph in a timely and complete manner.

(E) On or before September 1 of each year, the Commission and the Health Services Cost Review Commission shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on:

- (1) The amount of money in the Fund on the last day of the previous fiscal year;
- (2) The amount of money applied for by trauma physicians and trauma centers during the previous fiscal year;
- (3) The amount of money distributed in the form of trauma physician and trauma center reimbursements during the previous fiscal year;
- (4) Any recommendations for altering the manner in which trauma physicians and trauma centers are reimbursed from the Fund;
- (5) The costs incurred in administering the Fund during the previous fiscal year; and
- (6) The amount that each hospital that participates in the Maryland trauma system and that has a trauma center contributes toward the subsidization of trauma-related costs for its trauma center.

19-207.

(b) In addition to the duties set forth elsewhere in this subtitle, the Commission shall:

- (1) Adopt rules and regulations that relate to its meetings, minutes, and transactions;

- (2) Keep minutes of each meeting;
- (3) Prepare annually a budget proposal that includes the estimated income of the Commission and proposed expenses for its administration and operation;
- (4) Within a reasonable time after the end of each facility's fiscal year or more often as the Commission determines, prepare from the information filed with the Commission any summary, compilation, or other supplementary report that will advance the purposes of this subtitle;
- (5) Periodically participate in or do analyses and studies that relate to:
  - (i) Health care costs;
  - (ii) The financial status of any facility; or
  - (iii) Any other appropriate matter;
- (6) On or before October 1 of each year, submit to the Governor, to the Secretary, and, subject to § 2-1246 of the State Government Article, to the General Assembly an annual report on the operations and activities of the Commission during the preceding fiscal year, including:
  - (i) A copy of each summary, compilation, and supplementary report required by this subtitle; and
  - (ii) Any other fact, suggestion, or policy recommendation that the Commission considers necessary; and
- (7) Oversee and administer the Maryland Trauma Physician Services Fund in conjunction with the Maryland Health Care Commission.

#### **Article - Transportation**

13-954.

- (b) (1) In addition to the registration fee otherwise required by this title, the owner of any motor vehicle registered under this title shall pay a surcharge of [§11] \$13.50 per year for each motor vehicle registered.
- (2) \$2.50 of the surcharge collected under paragraph (1) of this subsection shall be paid into the Maryland Trauma Physician Services Fund established under § 19-130 of the Health – General Article.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) There is a Joint Legislative Committee to study and make recommendations about the structure and funding of the State's emergency medical response system.

(b) The Committee consists of the following members:

(1) four members of the Senate of Maryland, appointed by the President of the Senate; and

(2) four members of the House of Delegates, appointed by the Speaker of the House.

(c) The President of the Senate and the Speaker of the House jointly shall appoint the co-chairs from the Senate and House members appointed to the Committee.

(d) The Committee shall be staffed by the Department of Legislative Services.

(e) In conducting its study of, and making recommendations about, the structure and funding of the State's emergency medical response system the Committee shall review:

(1) the current and projected fund balances in the Maryland Emergency Medical System Operations Fund (MEMSOF);

(2) current planning efforts for the use of funds in the MEMSOF;

(3) the long-term operating and capital needs for Level I, II, and III trauma centers in the State;

(4) the funding needs of first responders, firefighters, and emergency medical personnel;

(5) incentives for illness prevention, injury reduction, and appropriate use of the trauma system;

(6) the ability of current funding mechanisms to meet the needs of the State's emergency medical response system;

(7) the availability of federal funds for homeland security and bioterrorism response and the ability of those funds to meet the needs of the State's emergency medical response system;

- (8) oversight and accountability for use of funds in the MEMSOF;
- (9) methods used by other states to meet their emergency medical response needs;
- (10) the current use of the Maryland State Police helicopters and the potential for the use of private helicopter companies for emergency medical response and inter-hospital transport;
- (11) the issues related to the licensing of commercial air ambulances;
- (12) plans to finance the replacement of the Maryland State Police helicopters;
- (13) the purposes for which funds, appropriated in the annual State budget from MEMSOF for fiscal years 1999, 2000, 2001, 2002, and 2003, were used by each entity for which an appropriation was made during those fiscal years; and
- (14) the structure of the Maryland Institute for Emergency Medical Services Systems (MIEMSS) and how MIEMSS functions within the State's emergency medical response system.

(f) To enable Committee members to understand the frame of reference of the State's emergency medical response system and its related entities, the Committee shall be briefed on any studies and legislative audits of the components of the emergency medical response system conducted in the past 4 years.

(g) The Committee shall convene workgroups and shall invite the participation of and solicit commentary from all interested parties as necessary to assist the Committee in carrying out its duties under subsection (e) of this section.

(h) (1) The Committee shall submit reports in accordance with paragraph (2) of this subsection on its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Budget and Taxation Committee, Finance Committee, and Judicial Proceedings Committee, and the House Health and Government Operations Committee and Economic Matters Committee.

(2) The Committee shall submit an interim report on or before December 31, 2003, and a final report on or before December 1, 2004.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) (1) In accordance with the Emergency Medical System plan developed under § 13-509 of the Education Article, the Maryland Institute for Emergency Medical Services Systems (MIEMSS) shall study whether a need exists for

MIEMSS, with the approval of the State Emergency Medical Services Board, to enter into an agreement to designate an out-of-state adult trauma center located in the District of Columbia as a member of the State trauma system in order to ensure access of Maryland patients to appropriate levels of trauma care.

(2) In conducting the study required under paragraph (1) of this subsection, MIEMSS shall review the effect that any agreement with an out-of-state trauma center may have on State trauma centers, including:

- (i) the extent to which duplication of services may exist;
- (ii) the ability of State trauma centers to achieve and sustain the patient volumes necessary for:
  - 1. optimal outcome;
  - 2. cost efficiency;
  - 3. maintenance of expertise;
  - 4. quality of care;
  - 5. research activities; and
  - 6. health service provider education; and
- (iii) the effect on quality of patient care that may result from reduced patient volume.

(b) In addition to the study required under subsection (a) of this section, MIEMSS shall:

- (1) conduct a review of the trauma centers in the State to determine whether they are operating at appropriate trauma designation levels; and
- (2) make recommendations for any necessary changes in the current designation levels.

(c) On or before December 1, 2003, MIEMSS shall submit a report on its findings and recommendations made under subsections (a) and (b) of this section to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) The Health Services Cost Review Commission shall submit reports, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee on September 1, 2003, and December 31, 2003, on:

(1) the anticipated time frame in which the Health Services Cost Review Commission will begin including trauma center stand-by costs in the State's hospital rate setting system;

(2) the specific trauma center stand-by costs that may and may not be included in the State's hospital rate setting system; and

(3) the trauma costs incurred by a trauma center to meet the Maryland Institute for Emergency Medical Services Systems trauma center regulatory requirements that may and may not be included in the State's hospital rate setting system.

(b) (1) The Health Services Cost Review Commission shall develop guidelines for the approval of an annual grant from the Maryland Trauma Physician Services Fund established under § 19-130 of the Health - General Article, as enacted by Section 1 of this Act, of up to \$275,000 to subsidize the stand-by costs for an out-of-state pediatric trauma center that has entered into an agreement with the Maryland Institute for Emergency Services Systems.

(2) As a condition of receiving a grant under paragraph (1) of this subsection, an out-of-state pediatric trauma center shall submit any information or documentation required by the Health Services Cost Review Commission, including documentation of any stand-by costs recovered through insurer reimbursement.

(3) On or before September 1, 2004, and on or before September 1 of each year thereafter, the Health Services Cost Review Commission shall report, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee, on the amount of any grant awarded by the Commission during the grant year.

SECTION 5. AND BE IT FURTHER ENACTED, That the Maryland Health Care Commission and the Health Services Cost Review Commission shall adopt regulations that establish a methodology for allocating disbursements from the Maryland Trauma Physician Services Fund established under § 19-130 of the Health - General Article, as enacted by Section 1 of this Act, on or before December 31, 2003.

SECTION 6. AND BE IT FURTHER ENACTED, That, it is the intent of the General Assembly that the Maryland Health Care Commission and the Health Services Cost Review Commission shall give priority to meeting the funding needs of Level III trauma centers to maintain physicians on-call.

SECTION 7. AND BE IT FURTHER ENACTED, That as of July 1, 2003, Motor Vehicle Administration registration renewal notices shall include increased surcharges under § 13-954(b)(2) of the Transportation Article, as enacted by Section 1 of this Act.

SECTION 8. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2003. Section 2 of this Act shall remain effective for a period of 1 year and 6 months and, at the end of December 31, 2004, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2003. It shall remain effective for a period of 2 years and, at the end of June 30, 2005, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.