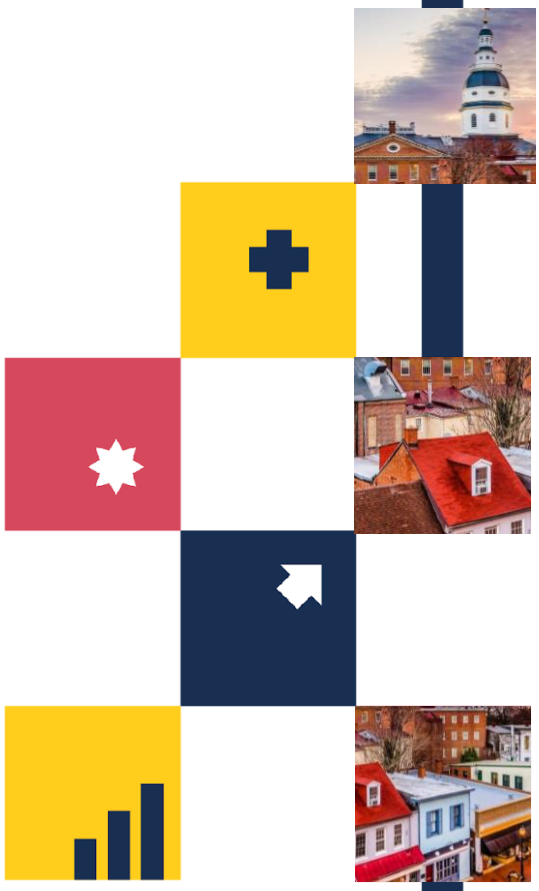
Maryland Trauma Physician Services Fund Annual Report

Health General Article § 19-130

Report to the Maryland General Assembly

December 2025



Fiscal Year 2025
July 1, 2024 – June 30, 2025

Marcia Boyle, MS

ACTING CHAIR

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This annual report on the Maryland Trauma Physicians Services Fund for Fiscal Year 2025 meets the reporting requirement set forth in Health General § 19-130(f) 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.

Contents

Executive Summary

The Maryland Health Care Commission (MHCC) administers the Maryland Trauma Physician Services Fund ("Trauma Fund" or "Fund"). This Fund covers the costs of medical care provided to trauma patients at Maryland's designated trauma centers/specialty centers by reimbursing centers for uncompensated care, services to Medicaid-enrolled patients, trauma related on-call and standby expenses, and other costs incurred for the delivery of trauma care, including equipment costs.

Maryland's designated Trauma Centers consists of two Level 1 trauma centers, Johns Hopkins Adult Level 1 and Johns Hopkins Pediatrics; four Level II trauma centers, Suburban Hospital, University of Maryland – Cap Region, Sinai Hospital, and Johns Hopkins Bayview Medical Center; and three Level III trauma centers, Meritus Medical Center, Tidal Health, and Western Maryland Hospital Center. Included in the definition of trauma center under the Fund are pediatric trauma centers – including Children's National Medical Center, serving a substantial proportion of Maryland trauma patients; Maryland's designated Primary Adult Resource Center (PARC) – the R Adams Cowley Shock Trauma Center; and Maryland's trauma specialty referral centers: Johns Hopkins' Adult Burn Program, Johns Hopkins' Wilmer Eye Institute, and the Curtis National Hand Center at MedStar Union Memorial Hospital.

Legislative and Regulatory Policy Changes: SB1032/HB1439, Chapter 718, Emergency Services Funding, passed in the 2024 session of the General Assembly with an implementation date of July 1, 2024. MHCC worked with Maryland's trauma centers to begin implementing the new statute and in December 2024, adopted regulations incorporating the new changes. In addition to these regulations, the Commission staff worked with the Trauma Center to create a new on-line application for reimbursement to ease submission for On-Call and Grant applications. Moving forward, the Commission will continue strengthening Trauma Fund operations through implementation of the significant changes passed in the 2024 legislation, including:

- Expanded eligibility to include other trauma health care practitioners as allowable to receive reimbursements for uncompensated trauma care (beyond just trauma physicians);
- Increased grants to pediatric trauma centers, allowing up to $900,000 to Johns Hopkins Children's Center and up to $900,000 to Children's National Medical Center.
- Increased the annual maximum hours allowable for on-call reimbursement and increased the maximum reimbursement rates for specified on-call costs;

- Strengthened reporting requirements, requiring additional detail in reporting including requirements for the Health Services Cost Review Commission (HSCRC) to report on trauma costs allowed in hospital rates;
- Increased surcharge on registrations and the registration renewals from $2.50 per year to $6.50 per year, and at least 20% of the fines collected for penalties for specified alcohol and/or drug-related driving offenses; and
- Expanded Trauma Fund grant program to allow funding beyond equipment.

Trauma Center & Provider Payments: Reimbursement to all eligible trauma and specialty centers in FY 2025 totaled $18,311,335. This included payment to eligible providers for uncompensated care, on-call and standby costs, compensation for Medicaid underpayments, and equipment grants. Payments to all eligible providers for uncompensated care and the administrative costs associated with making payments were $1,754,689. Payment to the trauma centers with a special one-time equipment grant was $4,466,321. The Fund, during FY 2025, is now financed through a $6.50 annual surcharge and a $13.00 bi-annual surcharge on motor vehicle registrations and renewals (increased from $2.50 per year). Vehicle registration renewal fees totaled $25,625,425.

Requirements for Payment: MHCC's third-party administrator reports are returned to the MHCC for reimbursement through the Comptroller's Office. Statute requires that uncompensated and undercompensated care is reimbursed at 100% of the Medicare rate for eligible services. On-call requirements under the Maryland Institute for Emergency Medical Services System (MIEMSS) standards require that trauma surgeons, neurosurgeons, orthopedists, and at some trauma centers anesthesiologists must be ready to respond within 30 minutes to the trauma center. Standby requirements state that the physicians must be at the facility, and ready to respond, and standby hours are reimbursed through Maryland's Rate Setting Commission, HSCRC.

Fund Reserves: In the past, MHCC had to maintain a 10% reserve in the Fund when issuing equipment grants. With the passage of SB1032/HB1439 the cap on reserves has been changed, beginning in FY 2025, to require a reserve of 15% of the total revenue collected in the previous fiscal year. To preserve a fund reserve that meets this threshold, in FY 2026 MHCC will issue equipment grants of an anticipated total of $4.45 million.

Recommended Improvements: MHCC recommends taking several actions to ensure data collection and accountability aligns with the new requirements in the 2024 legislation. These include: (1) Improvements to trauma center reporting & data integration; (2) Improving documentation for standard operating procedures; and (3) Improving the grant application process.

Background on the Trauma Fund

The Maryland General Assembly enacted legislation in 2003 that created the Maryland Trauma Physician Services Fund to aid Maryland's trauma system by reimbursing trauma centers with an established methodology for reimbursement based on the Medicare Physician Fee Schedule, a set percentage of the Reasonable Compensation Equivalency (or RCE),[1] Medicare Economic Index, and a defined number of hours for reimbursement by the level of a trauma center. The legislation also increased Medicaid payments to 100% of the Medicare rate when a Medicaid patient receives trauma care at a trauma center or a specialty center.[2] Lastly, the legislation established a formula for physicians who treat uninsured patients for follow up care to a trauma event. The legislation also directed the Health Services Cost Review Commission (HSCRC) to allow trauma centers to include trauma-related standby expenses in HSCRC approved hospital rates.

Per statute, § 19-130 of the Health-General Article, the Maryland Health Care Commission (MHCC) administers the Maryland Trauma Physician Services Fund ("Trauma Fund"). This non-lapsing special fund consists of a portion of motor vehicle registration surcharges paid into it in accordance with § 13–954(b)(2) of the Transportation Article, at least 20% of the fines collected under § 21–902(a)(1), (b)(2), (c)(2), and (d)(1) of the Transportation Article, and other money transferred from the General Fund of the State. In accordance with § 19-130 of the Health General Article, the Trauma Fund subsidizes the documented costs of uncompensated and undercompensated medical care provided by trauma health care practitioners to trauma patients. It also subsidizes costs incurred by trauma centers to meet the Maryland Institute for Emergency Medical Services Systems ("MIEMSS") requirements to maintain trauma providers on-call and on standby, and to awards grants for other costs incurred in the provision of trauma care, including but not limited to the cost to purchase or lease equipment used in trauma centers. Disbursements are also used to cover a portion of the documented costs of administering the fund.

Over the years, the Trauma Fund has expanded in several areas. The most significant changes expanded eligibility for Fund payments to other specialties and increased payment levels for certain classes of providers. Trauma providers have been attentive to the Trauma Fund reserve and have sought to expand eligibility when new needs arise. In 2024, the Commission delivered a report examining the adequacy of trauma center funding across

[1] Reasonable Compensation Equivalency (RCE) is a Medicare-established limitation on the costs a hospital can claim for standby services.

[2] COMAR § 19-130 designates trauma centers to include MIEMSS designated pediatric trauma centers, State primary adult resource center, Level I, II, and III trauma centers, and Maryland trauma specialty referral centers as eligible for Trauma Fund reimbursement.

the State for operating, capital, and workforce costs.[3] Listening sessions, discussions with trauma centers, and exploratory research throughout 2023 revealed several key findings below and published in the *2024 Maryland Health Care Commission Trauma Report*, which should be considered on an ongoing basis to ensure the fidelity of the Maryland trauma care system:

- Incremental trauma costs accrued by trauma centers vary considerably and expenses cannot be attributed to reimbursement for individual patients. Rather they must be absorbed by the system to maintain necessary trauma response infrastructure and should be offset by other health care funding mechanisms.
- Expenses unique to Maryland's trauma care delivery model may not fully be included in hospital global budgets. It is in the public's best interests to fund a trauma system that is in a perpetual state of readiness for the next injured person.
- Some expenses incurred by a trauma center are considered in the HSCRC rate setting processes, which should be more explicit and transparent to trauma centers' leadership.
- The Trauma Fund should be revised to provide more flexibility to compensate hospitals for additional on-call and standby expenses that are not recoverable through patient care-generated revenue.
- Readiness of specialists in trauma/general surgery, orthopedic surgery, neurosurgery, and anesthesiology should be fully funded through hospital rates, or if necessary, from external funding to hospital rate-setting.

To help address these challenges, 2024 legislation made statutory changes to improve the Fund.[4] Several recommendations from the Commission were enacted under SB 1032/HB 1439, effective July 1, 2024, including:

- Alteration of the funding source by requiring the Motor Vehicle Administration to pay $6.50 of each $40 annual motor vehicle registration fee to the Maryland Trauma Physician Services Fund;
- Expansion of the definition of "uncompensated care" to include care provided by not only trauma physicians but also other trauma health care practitioners;

[3] Maryland Health Care Commission (January 2024), "Trauma Report," available at https://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_trauma/documents/hcfs_comm_trauma_funding_rpt.pdf

[4] Emergency Services – Funding, effective July 1, 2024, passed in the 2024 regular session (HB 1439/SB1032/CH0718). It impacts Maryland Health General Statute § 19-130, and Transportation § 13-954.

- Defining reasonable compensation equivalent (RCE) and altering the methodologies for reimbursing Level I, II and III trauma centers to a rate up to 60% of the RCE;
- Increase of the maximum hours for which Level II trauma centers can be reimbursed for meeting the on-call requirements to 26,280 hours;
- Authorization for the Commission to award grants for trauma care expenses beyond equipment costs; and
- Requiring the Maryland Trauma Physician Services Fund to award two Level I pediatric trauma centers (Johns Hopkins Children's Center and Children's National Medical Center) up to $900,000 each, to total $1.8 million.

Each year, the Maryland Health Care Commission and Health Resources Cost Review Commission are responsible for reporting to the General Assembly in accordance with § 2-1257 of the State Government Article. Annual reporting requirements include:[5]

- The amount of money in the Fund on the last day of the previous fiscal year;
- The amount of money applied for by trauma physicians, trauma health care practitioners, and trauma centers during the previous fiscal year;
- The amount of money distributed in the form of trauma physician, trauma health care practitioner, and trauma center reimbursements during the previous fiscal year;
- Any recommendations for altering the manner in which trauma physicians, trauma health care practitioners, and trauma centers are reimbursed from the Fund;
- The costs incurred in administering the Fund during the previous fiscal year;
- 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 the trauma center;
- The costs that hospitals reported to the Health Services Cost Review Commission and are accounted for in the global budgets of the hospitals for each of the following: (i) trauma standby; (ii) allowable trauma center costs for reimbursing the trauma center director and trauma staff; (iii) maintaining Maryland Institute for Emergency Medical Services Systems trauma protocols; (iv) maintain specialized trauma staff; (v) procuring specialized trauma equipment; and (vi) providing trauma education and training;
- Any improvements made by trauma centers as a result of an increase in funding.

[5] § 19-130(f) of the Health General Article

Financial Overview for Fiscal Year 2025

The tables below reflect the amount of money in the Fund of the last day of the previous year, and total collections and recoveries, balanced against expenditures for grants, on-call and uncompensated care, Medicaid payments, standby, and administrative expenses for FY 2025. Table 1 shows these totals trended over time from 2023 to reflect changes in the Fund over time. In FY 2025, the fund started with an initial balance of $9,118,428, and closes the fiscal year with an ending balance of $8,302,035. Table 2 reflects that there were no FY 2025 obligations incurred after year end. The tables below reflect strengthened and clarified reporting requirements included in the 2024 legislation.

Table 1: FY 2023 – 2025 Trauma Fund Overview

Category	Cash Flow FY2023	FY2024	FY2025
Fund Balance at Start of Fiscal Year	$6,700,833	$7,483,014	**$9,118,428***
Collections from the Motor Vehicle Administration	$12,349,547	$12,366,198	$25,625,426
Credit Recoveries	$85,893	$64,369	$77,920
Addition from HB200 (2023)	0	$9,500,000	0
Available Funds	**$19,136,273**	**$29,413,581**	**$35,716,087**
Uncompensated Care Payments	($1,485,205)	($1,851,344)	($1,754,689)
On-Call Expenses	($9,263,088)	($9,087,930)	($18,311,335)
Medicaid Payments	(238.423)	($236,529)	($211,683)
Children's National Medical Center - Standby	($590,000)	($590,000)	($900,000)
Trauma Equipment Grants	0	($642,361) ($9,500,000)	($4,466,321)
Administrative Expenses	($76,543)	($108,053)	($59,318)
Transferred as Reserves	**	**	($894,313)
Total Expenditures	**($11,653,259)**	**($22,016,217)**	**($26,519,739)*****
Ending Trauma Fund Total	**$7,483,014**	**$7,397,364***	**$8,302,035**

* Difference due to late journal entry, increasing balance forward.
** Data not available.
*** Expenditure total is adjusted based on credit recoveries ($77,920).

Table 2: FY 2025 Obligations Incurred after Year End

Category	FY 2025
On-call stipends Children National Medical Center Standby	0
Total Incurred but Not Paid	**0**

Table 3, below, reflects the funds applied for and distributed to trauma physicians, practitioners, and trauma centers during FY 2025. It also reflects the percentage of total funding in each category that was distributed to each trauma center.

Table 3: FY 2025 Summary of Funds Requested & Paid

Uncompensated Care	Funds Requested	Funds Disbursed	
Aminullah Amini	$1,064,742	$41,566	2%
Bethesda Chevy Chase Orthopaedic Assoc.	$87,401	$10,929	1%
Community Surg Practice LLC	$58,060	$9,967	1%
Delmarva Radiology, PA	$9,014	--	--
Emergency Services Associates	$569,832	$57,802	3%
Fredrick Watkins	$48,508	$8,049	<1%
Jeffrey Muench	$115,592	$10,055	1%
JHU, Clinical Practice Association	$323,103	--	--
Medical Practices of Antietam, LLC	$337,267	$1,324	<1%
Meritus Physicians - Trauma	$47,498	$8,315	<1%
Mohammad Khan	$111,315	$105,583	6%
Shock Trauma Associates, PA	$5,994,012	$818,204	47%
Trauma Surgical Associates	$41,936	$2,229	<1%
Univ Of MD Diagnostic Imaging Specialists	$1,645,130	$191,980	11%
Univ Of MD Eye Associates, PA	$11,759	$3,542	<1%
Univ Of MD Oral Maxial Surgical Associates	$7,514	$2,986	<1%
Univ Of MD Ortho Trauma Associates	$3,721,901	$482,157	27%
Uncompensated Care Total		**$1,754,689***	

* Total is accurate; lines may not sum due to rounding.
-- No payment made; claim either not eligible or inaccurately coded.

On-Call Stipend	Funds Requested	Funds Disbursed	Percent of Total
Dimensions Health Corporation	$2,653,473	$2,623,096	14%

Johns Hopkins Bayview Medical Center	$2,436,010	$2,072,214	11%
Johns Hopkins Hospital	$450,286	$418,249	2%
Johns Hopkins Hospital (Adult Burn Center)	$357,310	$316,970	2%
Johns Hopkins Hospital (Pediatric Trauma)	$125,922	$211,313	1%
Johns Hopkins Hospital (Wilmer)	$105,251	$105,657	1%
Medstar Union Memorial Hospital Inc	$284,800	$175,331	1%
Meritus Medical Center Inc	$4,787,620	$2,971,847	16%
Sinai Hospital of Baltimore Inc	$1,257,724	$1,876,915	10%
Suburban Hospital	$2,211813	$2,072,214	11%
Tidal Health Peninsula Regional Inc	$3,650,125	$2,767,715	15%
UPMC Western Maryland Corporation	$3,876,968	$2,699,816	15%
On-Call Stipend Total		**$18,311,335***	

Note: Trauma Centers may have higher payments than requested costs due to reconciliation.

Standby Stipend	**Funds Requested**	**Funds Disbursed**
Children's National Hospital	$3,784,391	$900,000
Johns Hopkins Pediatrics[6]	--	--
Standby Stipend Total		**$900,000**

Medicaid Differential Payments	**Funds Requested**	**Funds Disbursed**
Payments for Medicaid-enrolled trauma registry patients	--	$211,683
Medicaid Differential Payment Total		**$211,683**

Equipment Grant	**Funds Requested**	**Funds Disbursed**	**Percent of Total**
Dimensions Health Corporation	$524,766	$524,766	12%
Johns Hopkins Bayview Medical Center Inc	$714,286	$714,286	16%
Meritus Medical Center Inc	$712,349	$712,349	16%
Sinai Hospital of Baltimore Inc	$713,580	$713,580	16%
Suburban Hospital	$680,458	$680,458	15%
Tidal Health Peninsula Regional Inc	$470,627	$470,627	11%
Western MD Regional Medical Ctr	$650,255	$650,255	15%

[6] Became eligible for $900,000 stipend effective 07/01/2024

Equipment Grant Total	**$4,466,321**
Physicians, Health Professionals & Trauma Center Total	**$25,644,028***

* Total is accurate; lines may not sum due to rounding.

Table 4 shows the distribution of total funding across all categories of the Trauma Fund distributed to each trauma provider. This percentage distribution combines funding disbursed for equipment grants, on-call and standby reimbursement, and uncompensated care reimbursement, aggregated by each provider.

Table 4: FY 2025 Total Trauma Fund Payments to Providers/Trauma Centers

Trauma Center	Total Funds	Percent of Total
Aminullah Amini	$41,566	0%
Bethesda Chevy Chase Orthopaedic Assoc.	$10,929	0%
Children's National Hospital	900,000	4%
Community Surg Practice LLC	$9,967	0%
Delmarva Radiology, PA	--	--
Dimensions Health Corporation	$3,147,862	12%
Emergency Services Associates	$57,802	0%
Fredrick Watkins	$8,049	0%
Jeffrey Muench	$10,055	0%
JHU, Clinical Practice Association	--	--
Johns Hopkins Bayview Medical Center	$2,786,500	11%
Johns Hopkins Hospital	$418,249	2%
Johns Hopkins Hospital (Adult Burn Center)	$316,970	1%
Johns Hopkins Hospital (Pediatric Trauma)	$211,313	1%
Johns Hopkins Hospital (Wilmer)	$105,657	0%
Medical Practices of Antietam, LLC	$1,324	0%
Medstar Union Memorial Hospital Inc	$175,331	1%
Meritus Medical Center Inc	$3,684,196	14%
Meritus Physicians - Trauma	$8,315	0%
Mohammad Khan	$105,583	0%
Shock Trauma Associates, PA	$818,204	3%
Sinai Hospital of Baltimore Inc	$2,590,495	10%
Suburban Hospital	$2,752,672	11%
Tidal Health Peninsula Regional Inc	$3,238,342	13%
Trauma Surgical Associates	$2,229	0%

Univ Of MD Diagnostic Imaging Specialists	$191,980	1%
Univ Of MD Eye Associates, PA	$3,542	0%
Univ Of MD Oral Maxial Surgical Associates	$2,986	0%
Univ Of MD Ortho Trauma Associates	$482,157	2%
UPMC Western Maryland Corporation	$2,699,816	11%
Western MD Regional Medical Ctr	$650,255	3%
Trauma Fund Total	**$25,432,345***	

* Total is accurate; lines may not sum due to rounding.
-- No payment made; claim either not eligible or inaccurately coded.
Note: Does not include Medicaid differential payments

The 2024 legislation included several additional reporting parameters for hospital reporting, through the HSCRC. It requires hospitals report to the HSCRC on their costs, accounted for in their global budgets, for: standby, allowable costs for director and staff reimbursement, costs for maintaining MIEMSS protocols, maintaining specialized staff, procuring specialized trauma equipment, and providing trauma education and training. It also requires reporting on any improvements made by trauma centers as a result of the increase in funding.

Table 5 reflects the currently available data reported by hospitals to HSCRC. As the Commissions fully implement the new legislation, MHCC and HSCRC trauma center and hospital reporting requirements will increase in FY 2026 and beyond to enable reporting on these newer data elements, including any improvements made by trauma centers as a result of the funding increase, which is not yet available in current data.

Table 5: FY 2025 Hospital Self-Reported Costs to HSCRC[7]

Trauma Center	Inpatient Only	Outpatient Only	All Stand-By
Johns Hopkins Hospital	$1,420,020	$221,712	$1,641,732
Johns Hopkins Hospital - Bayview	$692,656	$108,146	$800,802
Meritus Medical Center	$888,604	$449,183	$1,337,787
Shock Trauma	$2,683,473	$265,398	$2,948,871
Sinai Hospital	$1,090,819	$934,716	$2,025,535
Suburban Hospital	$717,401	$307,662	$1,025,063
Tidal Health Peninsula Regional	$0	$0	$0
UM Capital Region Medical Center	$2,691,269	$79,292	$2,770,561

[7] HSCRC hospital reporting is limited by current data availability.

Western Maryland Regional Medical Center	$544,549	$112,517	$657,066
Total Self-Reported Standby Costs	**$10,728,791**	**$2,478,626**	**$13,207,417**

Note: Peninsula Regional Medical Center reports no standby costs. The update factor for FY 2025 was 4.24%.

Trauma Fund Collections & Payments

Collections Through the Vehicle Registration Surcharge

The Motor Vehicle Administration (MVA) advises that approximately 4.6 million vehicles are subject to the annual emergency medical services (EMS) surcharge. The Trauma Fund has historically been funded through this surcharge; the 2024 legislation increases this surcharge by $23, raising to total charge to $40 and increasing the allocation for the Trauma Fund from $2.50 per year to $6.50 per year. Md. Code Ann., Transp., § 13-954. Assuming the number of registrations subject to the annual EMS surcharge remains constant, this projected to increase the Trauma Fund by an additional ~$18 million annually, beginning in FY 2025. In addition, the 2024 legislation directs at least 20% of the fines collected for convictions on specified drug and/or alcohol-related driving offenses toward the Trauma Fund to further bolster trauma center payments beginning in FY 2025. The impact of this additional funding is not yet fully known as additional programming is necessary to implement changes through FY 2025.

Payment for Uncompensated Trauma Care

The Fund reimburses physicians to subsidize documented, uncompensated costs incurred by trauma care physicians and, as of a 2024 legislative change, non-physician health care professionals. The Trauma Fund also reimburses physicians for follow-up care provided after the initial hospitalization. Treatment for a trauma injury can extend a considerable amount of time after the initial hospitalization. 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 at 100% of the Medicare payment rate for a service. The patient must be on the trauma registry, and the treatment must be directly related to the initial injury and must be performed in a trauma center or a trauma center-affiliated rehabilitation hospital setting. To be reimbursed, a practice must confirm that the patient has no health insurance, and the practice must apply its routine collection policies before applying for uncompensated care payments. This requirement is consistent with legislative intent, which made the Fund the payer of last resort.

The Trauma Fund has statutory flexibility to increase the payment rate for uncompensated care above 100% of the Medicare payment rate if a service will meet an unmet need in the State trauma center, provided intent to increase is reported to the legislature prior to any rate adjustment. Of note, with the passage of federal legislation including H.R. 1 and changes to Marketplace plans, Marylanders may lose access to Medicaid coverage or

coverage through the health insurance marketplace. These federal changes to health system support are likely to lead to an increased volume of uncompensated care across settings, including trauma centers, in the coming years.

Payment for Trauma On-Call Services

Ensuring physician availability is critical for delivering trauma care. Hospitals reimburse independent physicians for being on-call or standby via stipends or as part of salary if the physician is employed by the health system. 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 and ready to respond. These reimbursements compensate physicians for foregoing work in a non-hospital setting where reimbursement may be higher and uncompensated care losses may lower. Hospitals negotiate on-call and standby arrangements with physician practices that are essential to delivering trauma care. Payment levels for on-call and standby are dependent on local market factors. Shortages of physicians practicing in certain surgical specialties, especially in rural areas, may push payments higher. Most trauma centers receive the maximum reimbursement due to on-call costs exceeding the allowable on-call threshold.

To recognize the constraints and expenses of trauma care payment, the reimbursement rate methodology changed as a result of 2024 legislation, increasing Level II trauma center maximums, and increasing the percentage of the reasonable cost equivalents hourly rate, inflated to the current year (up from up to 30% to up to 60% for Level I and II; up from up to 35% to up to 60% for Level III). In FY 2025, on-call expenses were reimbursed for the number of on-call hours provided up to a maximum of 35,040 hours for a Level III trauma center, 26,280 hours for a Level II trauma center, 4,380 hours for a Level I trauma center, and 2,190 for a Specialty trauma center. The 2024 legislation also introduced additional flexibilities related to reimbursement parameters, allowing the Commission to change the percentage of the reasonable compensation equivalent paid to trauma centers under specified circumstances and with specified notice, and no more than once per year. It also allows the Commission to change the number of allowable hours of trauma on-call each year with specified notice.

Payment for Standby Stipend

The Fund may issue annual grants to Level I Pediatric Trauma Centers – and with passage of the 2024 legislation, the amount is increased to up to $1.8 million each year to two trauma centers. As of FY 2025, up to $900,000 may be awarded to Children's National Medical Center for providing standby services that are used by Maryland pediatric trauma patients, and up to $900,000 may be awarded to Johns Hopkins Pediatric Trauma Center. Each September Children's reports standby for the previous fiscal year to the MHCC by completing a standby application. Children's National submitted standby costs for well over

the maximum of $900,000 in FY 2025 and received the maximum award amount; Johns Hopkins did not apply for this funding in FY 2025.

Payment for Services Provided to Patients Enrolled in Medicaid MCOs

To address lower compensation of trauma care for enrollees of Maryland's Medical Assistance Program (Medicaid), the Trauma Fund transfers funds to the Maryland Department of Health to fully cover the State's share of expenditures for the costs of undercompensated care borne by the Medicaid program. Under the statutory guidelines, the Trauma Fund reimburses for up to 100% of the Medicare payment for a service (minus the amount paid by Maryland Medicaid) for the costs incurred by trauma physicians in providing trauma care to Maryland Medicaid enrollees on the State's trauma registry.

HSCRC Standby Expense Allocation

HSCRC used the Reasonable Compensation Equivalent (RCE) developed by Medicare to set reasonable allowable standby cost ceilings.[8] The actual costs per hour of standby were compared to these cost ceilings to include standby costs in the applicable hospital rate base in FY 2005. Rates derived from the RCE are updated each year (including these standby amounts) by applying the current year HSCRC update factor to aggregate charges from the previous year. Table 6 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 desires 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 payments are embedded in hospitals' HSCRC-approved rates. Standby costs and the payments derived from the RCE formula do not have a financial impact on the Fund because the payments are incorporated into hospital approved rates.

Trauma Equipment Grant (Trauma Fund Grant) Program

Trauma Fund Grant-eligible entities are MIEMSS designated Maryland trauma centers. This does not include pediatric trauma centers not located in Maryland, nor does it include specialty referral centers who are otherwise eligible for trauma fund reimbursement. During FY 2025, the Commission issued $4,466,321 in trauma equipment grants. Due to the timing of the 2024 legislation and implementation of the new regulations, MHCC applied the funding formula in the law prior to the 2024 bill's passage, which limits total trauma grants to 10% of the existing Fund balance. MHCC was not able to fully implement the new

[8] The RCE limits are updated annually by the Centers for Medicare & Medicaid Services based on 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.

flexibilities in the grant program, allowing grants to be used for purposes beyond equipment. During FY 2026, MHCC will implement changes in statute requiring a surplus balance of 15% of revenue received in the prior fiscal year and will reassess the new grant funding levels accordingly.

In FY 2026, MHCC will use the new flexibility to use increased grant funding to address pressing and persistent challenges expressed by trauma centers. MHCC will expand the use of grant funds beyond equipment to include investments in health care professional training and community education, and to encourage community-based trauma care delivery. MHCC will also expand reporting requirements to link investments to improvements in trauma care access, quality, safety, and outcomes, prioritizing investments that will improve trauma care for members of underserved communities.

Administrative Expenses

Administrative expenses for the Trauma Fund are attributed to third-party administration to issue payments, monitoring, oversight, and audit functions, and Commission staffing costs to operate the fund and maintain program integrity. In the first half of FY 2025, the Commission continued to contract with Luminare (formerly Trustmark, Inc.) as a third-party administrator for uncompensated care claims, through October of 2024. A new RFP was issued and SCAS Management was awarded and has operated as the Fund's third-party administrator for the remainder of FY 2025. Administrative costs will increase in FY 2026, now supporting a full-time employee to improve program integrity, monitoring, and oversight. MHCC and its audit contractor completed an overall audit for FY 2018 through FY 2024, assessing the integrity of the fund, with findings released in FY 2026. Audit findings will be addressed throughout FY 2026 and FY 2027, where feasible.

Recommendations for Improving Trauma Fund Operations

Following the passage of the 2024 legislation, in FY 2025-26, MHCC conducted an audit of Trust Fund operations, reimbursement protocols, administration, and accounting. While findings are currently under review and improvements must be assessed for feasibility, MHCC has several early recommendations for improvements to the Trust Fund for FY 2026 and FY 2027 to improve Trust Fund program integrity, operations, oversight, and reporting, and further implement the 2024 legislation. The set of recommendations in this report is designed to bring both near-term and longer-term program improvements, for example strengthening data related to hospital costs and enabling reporting on the extent to which Trauma Fund investments improve access, quality, and outcomes of trauma care provided by the trauma centers supported by this fund.

Improvements to Trauma Center Reporting & Data Integration

MHCC has identified that current trauma center self-reported data has eroded over time and gaps exist in data accuracy, completeness, and quality. In 2024, reporting was clarified in statute to be more explicit such that current data no longer meets the needs of updated reporting requirements. The current collection process is outdated and does not align with updates from the 2024 legislation, lacks clarity related to certain data elements, and does not have clear deadlines and submission cut-off points. This leads to data lag, missing data, and payments that must later be reconciled. More complete, accurate data would improve program integrity and oversight and accurate payment without additional resources dedicated to time consuming reconciliation processes. To address this, MHCC recommends updates and enhancements to the process trauma centers use to self-report data and make claims. This includes strengthening and automating data capture where possible, clarifications to information being requested from trauma centers, and leveraging technology to streamline trauma center data entry and capture. Improving data collection would improve fiscal tracking and reporting on an ongoing basis and facilitate improved annual reporting on the fiscal health and impact of the Trust Fund. MHCC also recommends closer collaboration between HSCRC and MHCC to coordinate data collection and validation. This would improve the fidelity of financial data, trauma center self-reported data, and further strengthen the Commissions' ongoing monitoring and annual reporting.

Improving Documentation for Standard Operating Procedures

With the addition of a full time staff person overseeing and managing Trauma Fund operations, MHCC has identified several gaps in documented standard operating procedures that would ensure program continuity and integrity. Changes in the 2024 legislation to the reimbursement rate methodology further solidify the need for updated, documented policies and procedures for reimbursement, calculations, and grant processing. Early audit findings confirm gaps exist, and the Commission finds these gaps have slowed implementation of the 2024 legislation. As MHCC moves through FY 2026, Commission staff and contractors are working to identify where clear, concise procedures need to be updated and codified to ensure efficient, consistent program administration going forward.

Improving the Grant Application Process

Early audit findings yield several recommendations for improving the grant application process, particularly as the Commission implements changes to the grant program. One recommended improvement is to transition the current paper-based grant process to an online application, similar to the recently automated on-call claim submission process. MHCC also recommends implementing deadlines for submission, as staff has found that grant submissions are often received late in the cycle, which presents challenges to program oversight and equitable distribution of grant funds. MHCC recommends that in

tandem with transitioning to an online process, the Commission also implements a time requirement and deadline for grant submission to qualify for funding. MHCC also recommends an assessment of the current unmet needs of trauma centers, so that future grant cycles can use the newly established flexibility introduced in the 2024 legislation (beyond equipment) to target and address the most pressing and persistent needs to improve access, quality, and safety of trauma care for Maryland communities.