



Maryland Health Care Commission

THE 2021 MARYLAND TRAUMA PHYSICIAN SERVICES FUND

DECEMBER 2021



Maryland Trauma Physician Services Fund

- ▶ Fund established by Maryland General Assembly in 2003 to aid Maryland's trauma system by reimbursing trauma physicians for uncompensated care losses and by raising Medicaid payments to 100% of Medicare rate
- ▶ The legislation established a formula for reimbursing trauma centers for trauma-related on-call expenses for trauma surgeons, orthopedists, neurosurgeons, and anesthesiologists
- ▶ The legislation directed HSCRC to allow trauma center hospitals to include trauma-related standby expenses in HSCRC-approved rates
- ▶ The statute has been modified several times since passage in 2003
- ▶ The most significant statutory changes expanded eligibility for Fund payment levels for classes of providers

Note: on-call payments are paid to physicians, not at the hospital but able to respond in 30 minutes. Standby payments are paid to physicians already at the hospital and ready to respond.



Status of Fund at end of FY 2021

- ▶ Collections via \$5 MVA surcharge totaled \$12.5 million compared to \$11.8 million in FY 2020 when Executive Orders delayed payment of automobile registration renewals.
- ▶ Fund disbursed about \$11.4 million to trauma centers and trauma physicians and \$1.0 million to PARC
- ▶ HSCRC incorporated PARC's allowable costs in their hospital rates effective 1/01/21
- ▶ Uncompensated care costs totaled about \$2.1 million compared to about \$1.9 million in previous year
- ▶ Payment for on-call services totaled about \$8.4 million compared to about \$8.3 million in previous year
- ▶ Fund balance was \$2,171,071 compared to \$2,085,101 in previous year



Revenue Collected and Obligations Paid in FY 2021 compared to FY 2020

- ▶ COVID 19 pandemic had an impact on Trauma Fund revenue in FY 2021 and FY 2020. PHE Executive Orders started in March of 2020 and continued through July 2021.
 - Revenue collected in FY 2021 was \$12.6 million compared to \$11.8 in FY 2020. In FY 2019, revenue was \$12.7 million.
 - Most significant revenue decline was in FY 2020.
- ▶ Uncompensated care costs totaled \$2.2 million compared to \$1.9 million in FY 2020.
 - Uncompensated care driven by numbers of uninsured treated for trauma injuries
- ▶ Medicaid payments totaled \$.3 million compared to \$.2 million in FY 2020
- ▶ Payment for On-Call Services totaled \$8.4 million compared to \$8.3 in previous FY 2020.
 - Almost all trauma hospitals are now collecting the maximum on-call allowed by law. Increases are mostly driven by automatic inflation increases in the maximums.



Outstanding Obligations for FY 2021

- ▶ The Fund incurred but did not reimburse \$4.9 million in obligations.
- ▶ Obligated Funds are not reflected in the FY2021 year end balances.
- ▶ Obligations are from on-call and standby stipends paid by trauma hospitals from January 2021 through June 2021 but reported to MHCC after the end of the fiscal year.
- ▶ As in past years, obligations are paid from the Fund in the subsequent fiscal year.



Expectations for 2022 and Beyond

- ▶ On-call payments representing about two thirds of total spending in FY 2021 will continue to increase
- ▶ Trauma Centers will continue to inquire about increase in the \$5 surcharge on motor vehicle registrations and renewals
- ▶ Level II and Level III trauma centers will continue to inquiry about larger trauma equipment grants



Options for Modifying Trauma Fund Revenues and Expenditures -- Statutory Changes Required (Table 8)

- ▶ Increase MVA surcharge on registration and registration renewals from \$5 to \$6
- ▶ Reimburse on-call at 105% of authorized levels net of obligations for UCC and MA supplemental payments.
- ▶ Contingent on revenue increase:
 - Increase level of trauma equipment funding to \$1 million per year for eligible trauma centers
 - Authorize UCC and MA supplemental payments for non-physician practitioners providing trauma care
 - Direct MHCC to conduct annual review of UCC and MA supplemental payments to confirm MCO's reimbursing at mandated level
 - Set the statutory floor on practitioner fee levels for UCC and MA supplemental payment at 105% of Medicare rates



Trauma Fund Status on Cash Flow, FYs 2019-2021

CATEGORY	FY 2019	FY 2020	FY 2021
Fund Balance at Start of Fiscal Year	\$11,025,142	\$3,906,147	\$2,085,101
Collections from the \$5 Registration Fee	\$12,707,734	\$11,798,484	\$12,562,282
Credit Recoveries	\$126,931	\$161,748	\$52,527
TOTAL (Balance, Collections, and Recoveries)	\$23,859,807	\$15,866,350	\$14,699,910
Uncompensated Care Payments	(\$1,864,933)	(\$1,877,081)	(\$2,162,934)
On-Call Expenses	(\$8,130,153)	(\$8,300,327)	(\$8,392,623)
Medicaid Payments	(\$143,642)	(\$194,095)	(\$275,160)
Medicaid/Medicare Differential Payment for FYs 2017 and 2018 (Paid in following FY)	(\$1,158,583)	(\$0)	(\$0)
Children's National Medical Center Standby	(\$590,000)	(\$590,000)	(\$590,000)
Trauma Equipment Grants (Disbursed from the Fund)	(\$0)	(\$299,999)	(\$0)
Reimbursement to PARC - Senate Bill 901 (Maryland Trauma Fund – State Primary Adult Resource Center - Reimbursement of On-Call and Standby	(\$0)	(\$2,444,700)	(\$1,026,976)
Administrative Expenses	(\$66,349)	(\$75,077)	(\$81,146)
TOTAL	(\$11,953,660)	(\$13,781,279)	(\$12,528,839)
Reduction from the 2018 Budget and Reconciliation Financing Act Legislation	(\$8,000,000)	(\$0)	(\$0)
TRAUMA FUND BALANCE	\$3,906,147	\$2,085,101	\$2,171,071



Actual and Projected Trauma Fund Spending, FYs 2019-2021

	Actual FY 2020	Actual FY 2021	Projected FY 2022
Carryover Balance from Previous Fiscal Year	\$3,906,147	\$2,085,101	\$2,171,071
Collections from the \$5 surcharge on automobile renewals	\$11,798,484	\$12,562,282	\$12,650,000
TOTAL BALANCE & COLLECTIONS	\$15,704,631	\$14,647,383	\$14,821,071
Total Funds Appropriated	\$12,300,000	\$12,000,000	\$12,300,000
Credits	\$161,749	\$52,527	\$75,000
Payments to Physicians for Uncompensated Care	(\$1,877,081)	(\$2,162,934)	(\$2,200,500)
Payments to Hospitals for On-Call	(\$8,300,327)	(\$8,392,623)	(\$8,560,475)
Stand-By Costs for Shock Trauma PARC	(\$2,444,700)	(\$1,026,976)	(\$0)
Medicaid	(\$194,095)	(\$275,160)	(\$298,500)
Medicaid/Medicare Differential Payment for FYs 2017 and 2018 (Paid in following FY)	(\$0)	(\$0)	(\$0)
Children's National Medical Center	(\$590,000)	(\$590,000)	(\$590,000)
MHCC Administrative Expenses (TPA & Audit)	(\$75,077)	(\$81,146)	(\$86,000)
Trauma Equipment Grants (funding drawn from Fund Balance)	(\$299,999)	(\$0)	(\$200,000)
Transfers to the General Fund	(\$0)	(\$0)	(\$0)
PROJECTED FISCAL YEAR-END BALANCE	\$2,085,101	\$2,171,071	\$2,960,596