



# Maryland Health Care Commission

THE 2022 MARYLAND TRAUMA PHYSICIAN SERVICES FUND

DECEMBER 2022



# 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 2022

- ▶ Collections via \$5 MVA surcharge totaled about \$12.2 million compared to \$12.6 million in FY 2021
- ▶ Fund disbursed about \$11.5 million to trauma centers and trauma physicians
- ▶ HSCRC incorporated PARC's allowable costs in their hospital rates effective 1/01/22
- ▶ Uncompensated care costs totaled about \$1.8 million compared to about \$2.1 million in previous year
- ▶ Payment for on-call services totaled about \$8.8 million compared to about \$8.4 million in previous year
- ▶ Fund balance was \$ 6,700,833 compared to \$2,171,071 in previous year
  - . The legislature restored \$4 million to the Fund via the 2022 Budget and Reconciliation and Financing Act (BRFA)



# Revenue Collected and Obligations Paid in FY 2022 compared to FY 2021

- ▶ Revenue collected in FY 2022 was \$12.2 million compared to \$12.5 in FY 2021. In FY 2020, revenue was \$11.8 million.
  - Most significant revenue decline was in FY 2020.
- ▶ Uncompensated care costs totaled \$1.8 million compared to \$2.1 million in FY 2021.
  - Uncompensated care driven by numbers of uninsured treated for trauma injuries
- ▶ Medicaid payments totaled \$ .280 million compared to \$ .275 million in FY 2021
- ▶ Payment for On-Call Services totaled \$8.8 million compared to \$8.4 in FY 2021.
  - 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 2022

- ▶ The Fund incurred but did not reimburse \$5.2 million in obligations.
- ▶ Obligated Funds are not reflected in the FY2022 year end balances.
- ▶ Obligations are from on-call and standby stipends paid by trauma hospitals from January 2022 through June 2022 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 2023 and Beyond

- ▶ On-call payments representing about three quarters of total spending in FY 2022 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 receive larger trauma equipment grant in FY2024



# 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