



# Maryland Health Care Commission

THE 2023 MARYLAND TRAUMA PHYSICIAN SERVICES FUND

DECEMBER 2023



# 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 slightly over \$12.3 million compared to \$12.2 million in FY 2022
- ▶ Fund disbursed about \$11.5 million to trauma centers and trauma physicians
- ▶ Uncompensated care costs totaled about \$1.5 million compared to about \$1.8 million in previous year
- ▶ Payment for on-call services totaled about \$9.2 million compared to about \$8.8 million in previous year
- ▶ Fund balance was \$ 7,483,014 compared to \$6,700,833 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 2023 compared to FY 2022

- ▶ Revenue collected in FY 2023 was \$12.3 million compared to \$12.2 in FY 2021.
- ▶ Uncompensated care costs totaled \$1.5 million compared to \$1.8 million in FY 2022.
  - Uncompensated care driven by numbers of uninsured treated for trauma injuries
- ▶ Medicaid payments totaled \$ .238 million compared to \$ .280 million in FY 2022
- ▶ Payment for On-Call Services totaled \$9.2 million compared to \$8.8 in FY 2022.
  - 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 FY2023 year end balances.
- ▶ Obligations are from on-call and standby stipends paid by trauma hospitals from January 2023 through June 2023 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 four fifths of total spending in FY 2023 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
- ▶ MHCC will work through the Commission to Study Trauma Center Funding, the Trauma Network and policymakers to examine the challenges to the Fund and make recommendations to resolve



# 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
- ▶ Contingent on revenue increase:
  - Remove the limit on 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
  - Request that Medicaid conduct annual review of 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