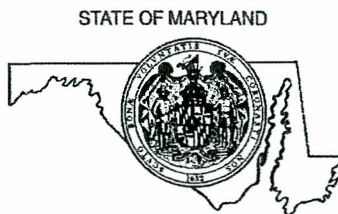
Craig Tanio, M.D.
CHAIR

STATE OF MARYLAND

Ben Steffen
EXECUTIVE DIRECTOR



MARYLAND HEALTH CARE COMMISSION

4160 PATTERSON AVENUE – BALTIMORE, MARYLAND 21215
TELEPHONE: 410-764-3460 FAX: 410-358-1236

November 21, 2016

The Honorable Larry Hogan, Jr.
Governor
State of Maryland
Annapolis, MD 21401-1991

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
H-107 State House
Annapolis, MD 21401-1991

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis, MD 21401-1991

RE: Maryland Trauma Physician Services Fund

Dear Governor Hogan, President Miller and Speaker Busch:

The Maryland Health Care Commission (MHCC) and the Health Services Cost Review Commission (HSCRC) are submitting this report on the current status of the Maryland Trauma Physician Services Fund (Health General Article § 19-130) as required by law. The Fund reimburses trauma physicians for uncompensated and undercompensated and Medicaid undercompensated trauma care. Trauma center hospitals are reimbursed for on call stipends paid to trauma physicians that treat patients at the respective centers.

Payments to eligible providers and the administrative costs associated with making those payments were about $10 million in FY 2016. Comparing FY 2016 to FY 2015, uncompensated care payments dramatically decreased, while on call and standby payments incrementally increased. Transfers from the Motor Vehicle Administration to the Fund increased by approximately $400,000 in FY 2016.

The MHCC recommends making no changes to the reimbursement rates at this time, as we track the effects of the rate increases that began in July of 2016.

If you have any questions regarding this year's report, please contact me at 410-764-3565.

Sincerely,

Ben Steffen
Executive Director

cc: The Honorable Thomas M. Middleton
The Honorable Peter A. Hammen
Van T. Mitchell, Secretary DHMH
Sarah Albert – DLS (5 Copies)

MARYLAND TRAUMA PHYSICIAN SERVICES FUND
Health General Article § 19-130

Operations from July 1, 2015 through June 30, 2016

Report to the

MARYLAND GENERAL ASSEMBLY

November 2016

Craig Tanio, MD, MBA
Chair

Ben Steffen
Executive Director
Maryland Health Care Commission

Nelson J. Sabatini
Chair

Donna Kinzer
Executive Director
Health Services Cost Review Commission

Prepared by the
Maryland Health Care Commission

Craig P. Tanio, MD, Chair
CEO and Founder, Rezilir Health

Frances B. Phillips, RN, MHA, Vice Chair
Health Care Consultant

John E. Fleig, Jr.
Chief Operating Officer
UnitedHealthcare
MidAtlantic Health Plan

Elizabeth A. Hafey, Esq.
Associate
Miles & Stockbridge P.C.

Jeffrey Metz, MBA, LNHA
President and Administrator
Egle Nursing and Rehab Center

Robert Emmet Moffit, PhD
Senior Fellow
Health Policy Studies
Heritage Foundation

Gerard S. O'Connor, MD
General Surgeon in Private Practice

Michael J. O'Grady, PhD
Principal, Health Policy LLC, and
Senior Fellow, National Opinion Research
Center (NORC) at the University of Chicago

Andrew N. Pollak, MD
Professor and Chair
Department of Orthopaedics
University of Maryland School of Medicine
Chief of Orthopaedics
University of Maryland Medical System

Randolph S. Sergent
Vice President and Deputy General Counsel
CareFirst BlueCross BlueShield

Diane Stollenwerk, MPP
President
StollenWerks, Inc.

Stephen B. Thomas, PhD
Professor of Health Services Administration
School of Public Health
Director, Maryland Center for Health Equity
University of Maryland, College Park

Cassandra Tomarchio
Business Operations Manager
Enterprise Information Systems Directorate
US Army Communications Electronics Command

Adam J. Weinstein, MD
Medical Director
Nephrology and Transplant Services
Shore Health System

Maureen Carr-York, Esq.
Public Health Nurse and Health Care Attorney
Anne Arundel County

This annual report on the Maryland Trauma Physicians Services Fund for fiscal year 2016 meets the reporting requirement set forth in Health General § 19-130(e) 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.

This report was written by Karen Rezabek, Program Manager for the Maryland Trauma Fund Physician Services Fund. For additional information on this report, please contact her at 410-764-3259 or by email at karen.rezabek@maryland.gov.

Table of Contents

Executive Summary 5

Background 5

Status of the Fund at the End of FY 2016 6

Outstanding Obligations for FY 2016 7

Payment to Practices for Uncompensated Trauma Care 8

Payment for Trauma On Call Services 9

Payment for Services Provided to Patients Enrolled In Medicaid 10

HSCRC Standby Expension Allocation 10

Payment to Children's National Medical Center for Standby Expense 11

Administrative Expenses 12

Revenue and Reimbursement Outlook 12

Maintaining Reimbursement Levels and Fund Stability 13

Options for Modifying the Trauma Fund 14

Appendices 15

Executive Summary

The Maryland Trauma Physician Services Fund ("Trauma Fund" or "Fund") covers the costs of medical care provided by trauma physicians at Maryland's designated trauma centers for uncompensated care, Medicaid-enrolled patients, trauma-related on call and standby expenses, and trauma equipment grants. The Fund is financed through a $5 surcharge on motor vehicle registrations and renewals.

Payments to eligible providers and the administrative costs associated with making those payments were nearly $10 million in FY 2016. Comparing FY 2016 to FY 2015, uncompensated care payments dramatically decreased, while on call and standby payments incrementally increased. Transfers from the Motor Vehicle Administration (MVA) to the Fund increased modestly by $317,000 in FY 2016. Reimbursements to the Fund from physicians paid for uncompensated care claims and from other sources declined dramatically from FY 2015's more than $700,000 to $188,000 in FY 2016.

The Maryland Health Care Commission (Commission) approved an 8 percent across the board reduction in payment rates for FY 2010 (with the exception of Medicaid) due to the downturn in automobile registration revenue and an expected increase in uncompensated care claims, which remained in effect throughout FY 2015. Beginning is FY 2016 and throughout the fiscal year, payments were restored to 100% of the Medicare rate for the Baltimore region.

Implementation of the insurance coverage provisions of the Patient Protection and Affordable Care Act (ACA) led to reduced uncompensated care payments from the Fund, as a significant share of those previously uninsured have gained access to coverage. As 92.5% of Maryland residents under age 65 had health insurance in calendar year 2015, uncompensated care payments should continue to significantlydecline. Due to the Medicaid expansion under the ACA, adults with incomes up to 138 percent of the Federal Poverty Line (FPL) qualify for Medicaid. As Medicaid allows for continuous enrollment, a traumatic injury may be the triggering event for a low income individual enrolling in Medicaid.

The MHCC recommended raising reimbursement for uncompensated care and on-call services to 105% of the Medicare rate beginning in FY 2017. MHCC, in consultation with HSCRC, is permitted to make this adjustment under Health-General §19-130(d)(4)(iv). The small adjustment in reimbursement levels was made in recognition of the significant reductions in reimbursement trauma physicians were asked to absorb from FY 2010 through FY 2015. MHCC will recommend whether or not this adjustment should continue in the FY 2018 report due in November 2017.

Background

During the 2003 legislative session, the Maryland General Assembly enacted legislation creating the Maryland Trauma Physician Services Fund to aid Maryland's trauma system by reimbursing trauma physicians[1] for uncompensated care losses and by raising Medicaid payments to 100 percent of the Medicare rate when a Medicaid patient receives trauma care at a designated center. The legislation also established a formula for reimbursing trauma centers for trauma-related on call expenses for trauma surgeons, orthopedists, neurosurgeons, and anesthesiologists.[2] The legislation directed the Health Services Cost Review Commission

[1] COMAR 10.25.10 originally defined trauma physicians as trauma surgeons, anesthesiologists, orthopedic surgeons, neurosurgeons, critical care physicians, and emergency room physicians to conform to the statutory definition.

[2] On call requirements under the Maryland Institute for Emergency Medical Services Systems (MIEMSS) standards for Maryland trauma centers require that physicians be available to respond within 30 minutes. Standby requirements state that the physician must be at

(HSCRC) to allow trauma center hospitals to include trauma-related standby expenses in HSCRC-approved hospital rates.

The legislation has been expanded several times since passage in 2003; expanding eligibility for Fund payments to other classes of trauma physicians and/or increased payment levels for classes of providers. These changes are summarized below in Table 1.

Table 1: Statutory Changes – 2006-2013
2006 – Expanded eligibility to uncompensated care and extended Medicaid reimbursement to physicians providing trauma. Increased on call payments to Level II and Level III Trauma Centers. Replaced the per specialty limit for on call hours with a per center limit on hours. Extended uncompensated care payments to include the Johns Hopkins Burn Center, Johns Hopkins Eye Trauma at the Wilmer Eye Institute, and the Hand Trauma Center at Union Memorial. Increased the ceiling on the stipend for Children's National Medical Center to $490,000. Awarded a one-time grant to Union Memorial Hand Center and trauma equipment grants to 7 Level II and Level III Centers.
2008 – Permitted the Level I Trauma Center, Pediatric Trauma Center, and 3 specialty referral centers to receive a limited on call stipends. Authorized physicians to receive uncompensated care payments for care provided at trauma center-affiliated rehabilitation hospitals. Raised the cap on uncompensated care reimbursement for emergency medicine physician practices. Increased the annual grant to Children's National Medical Center to $590,000. Permitted MHCC to award grants to Level II and Level III centers for trauma related equipment and systems from Fund balances. Permitted MHCC to adjust uncompensated care and on call rates.
2009 – Permitted Level III Trauma Centers to receive on call stipends for up to 70,080 hours per year to maintain trauma surgeons, orthopedic surgeons, neurosurgeons, anesthesiologists, plastic, major vascular, oral or maxillofacial, and thoracic surgeons. Gave MHCC authority not to reimburse Level III Trauma Centers for on call hours under this change for Trauma on call hours exceeding 35,040 until the remaining costs eligible for reimbursement for Level I, II, III, pediatric and specialty referral centers are fully funded.
2012 – Removed the statutory restriction that expenditures from the Fund may not exceed the Fund's revenues in a fiscal year.
2013 – Section 2, Chapters 546 and 547, Acts 2009, (additional on call reimbursement for Level III trauma centers noted above) was abrogated and of no further force and effect as of the end of September, 2013.

Status of the Fund at the End of FY 2016

Collections by MVA via the $5 surcharge were $12,316,030. The Trauma Fund disbursed about $10 million to trauma centers and trauma physician practices over the past fiscal year. Table 2, below, summarizes the revenue, disbursements, and the Fund balances at the end of fiscal years 2014, 2015, and 2016.

In 2016, the Maryland Motor Vehicle Administration (MVA) reported collecting more revenue than in the previous fiscal year. 2016 was the third consecutive year in which revenue has increased. From 2008-2013, the MVA reported no increase in revenue due to the Fund. MHCC has asked the MVA to provide further information on its collections.

---

the facility, ready to respond. Level III trauma centers may operate with all trauma physicians on call, though a center is permitted to have physicians on standby. Level II centers must have trauma surgeons on standby status, but other physicians are permitted to be on call. Level I centers must have physicians in all MIEMSS-designated specialties on-site at all times.

Table 2 - Trauma Fund Status on a Cash Flow Basis, FY's 2014-2016

CATEGORY	FY 2014	FY 2015	FY 2016
Fund Balance at Start of Fiscal Year	$4,673,677	$4,297,238	$5,030,484
Collections from the $5 Registration Fee (and interest)	$11,957,131	$11,999,109	$12,316,030
Credit Recoveries	$483,836	$703,279	$187,736
TOTAL FUNDS (Balance, Collections, Recoveries)	$17,114,644	$16,999,626	$17,534,250
-- Uncompensated Care Payments	-$4,786,633	-$4,313,377	-$1,590,273
-- On Call Expenses	-$6,568,473	-$6,323,847	-$6,956,389
-- Medicaid Payments	-$118,961	-$66,301	-$56,715
-- Children's National Medical Center Standby	-$542,800	-$542,800	-$590,000
--Trauma Equipment Grants (disbursed from the surplus funds)	-$398,231	$0	-$294,000
-- Administrative Expenses	-$402,308	-$722,817	-$160,571
Total Expenditures	-$12,817,406	-$11,969,142	-$9,647,948
TRAUMA FUND BALANCE, FY END	**$4,297,238**	**$5,030,484**	**$7,886,301**

Outstanding Obligations for FY 2016

The Fund incurred outstanding obligations of approximately $4.5 million, which are not reflected in the FY 2016 year-end balance in Table 2 above. These obligations result from applications for Medicaid, on call, and standby expenses for services provided in FY 2016. As in past years, these obligations have been paid from the Fund's revenue collected by the MVA on registrations and renewals in the first three months of the following fiscal year.

Table 3 – FY 2016 Obligations Incurred after Year End

On call stipends	$3,823,411
Children's National Medical Center FY 2013 Standby Expenses	$590,000
Medicaid	$56,715
TOTAL INCURRED BUT NOT PAID IN FY 2016	**$4,470,126**

Payment to Practices for Uncompensated Trauma Care

Table 4 presents the distribution of uncompensated care by the trauma center in which the care was provided for the fiscal years 2014 through 2016.

Table 4 –Distribution of Uncompensated Care Payments by Trauma Center, FYs 2014-2016

Facility	% of Uncompensated Care Payments FY 2014	% of Uncompensated Care Payments FY 2015	% of Uncompensated Care Payments FY 2016
R. Adams Cowley Shock Trauma Center and University practices	47.7	48.8	37.2
Johns Hopkins Hospital Adult Level 1	16.2	17.4	13.4
Prince George's Hospital Center	17.6	15.2	30.2
Johns Hopkins Bayview Medical Center	2.9	1.1	0.3
Suburban Hospital	5.6	6.0	10.3
Peninsula Regional Medical Center	4.2	4.1	4.9
Sinai Hospital	1.7	3.1	1.6
Johns Hopkins Regional Burn Center	.3	.4	.1
Meritus Medical Center (formerly Washington County Hospital)	1.2	1.7	1.3
Western Maryland Health System Memorial Trauma Center	09	0.9	0.4
Johns Hopkins Hospital Pediatric Center	0.1	0.1	0.2

Before applying for uncompensated care payments, a practice must confirm that the patient has no health insurance and directly bill the patient –applying its routine collection policies. If the patient is uninsured and full payment (100 percent of the Medicare fee or more) is not received from the patient, the service can be written off as uncollectible and eligible for uncompensated care reimbursement. This requirement is consistent with the legislative intent, which made the Fund the payer of last resort for physicians providing trauma services.

Beginning in FY 2007, the Trauma Fund reimbursed physicians for follow-up care provided after the initial hospitalization. Plastic surgery, ophthalmic, oral, maxillofacial, and orthopedic surgery often occur after the hospital visit. Burn care treatment, in particular, can extend for a considerable time after the initial injury. 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 if the treatment is directly related to the initial injury. To be eligible for payment, services must be provided at the trauma center or trauma center- affiliated rehabilitation hospital setting.

Payment for Trauma On Call Services

Hospitals reimburse physicians for being on call or standby. 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 ready to respond. On call and standby payments compensate physicians for foregoing work in a non-hospital setting where reimbursement may be higher and uncompensated care losses are lower. Hospitals negotiate on call and standby arrangements with physician practices that are essential to hospital operations. Payments for on call and standby are dependent on local market factors. Shortages of physicians practicing certain surgical specialties, especially in rural areas, may push payments higher. The need to ensure physician availability is especially important in trauma care.

Most trauma center hospitals reimburse physicians when they provide on call services, and certainly do so when physicians are on standby at the hospital. Level III trauma centers must maintain 30 minute maximum response times for trauma surgeons, anesthesiologists, neurosurgeons, and orthopedists. Level II centers must have a trauma surgeon and an anesthesiologist on standby and a neurosurgeon and orthopedist on call and able to respond within 30 minutes. Level II trauma centers may substitute a third year surgical resident for a trauma surgeon; and the trauma surgeon then must be on call.

On call expenses are reimbursed for the number of on call hours provided up to a maximum of 35,040 hours per year. FY 2010 was the first year that the expanded on call stipends were reimbursed to the specialty trauma centers as a result of the statutory changes enacted in 2008. None of the Level II and Level III centers reached the maximum payment ceilings allowable under the Fund over the past several years because some specialties operated on standby, a higher level of availability. Some physician contracts allow for on call payments only when the physician is on call and not providing care. If a physician is called to the hospital and generating billable services, the hospital does not reimburse on call for those hours. Several of the Level II trauma centers do not pay call for anesthesiologists for this reason.

Table 5 – On Call Payments to Trauma Centers, FY's 2014-2016

Trauma Center	FY 2014	FY 2015	FY 2016
Johns Hopkins Bayview Medical Center	$1,163,825*	$820,838	$909,644
Johns Hopkins Adult Level One	147,846	149,418	165,476
Prince George's Hospital Center	447,957	516,507	555,660
Sinai Hospital of Baltimore	710,528	742,879	861,123
Suburban Hospital	718,206	719,954	790,571
Peninsula Regional Medical Center	1,175,238	1,201,141	1,330,182
Meritus Medical Center	1,006,367	1,024,055	1,133,315
Western Maryland Regional Medical Center	801,914	776,899	796,728
Johns Hopkins Adult Burn Center	73,328	74,710	82,738
Johns Hopkins Wilmer Eye Center	73,318	74,710	82,738
Johns Hopkins Pediatric Trauma	146,638	149,418	165,476
Union Memorial, Curtis National Hand Center	73,318	73,318	82,738
TOTAL	**$6,568,473**	**$6,323,847**	**$6,956,389**

**Please note that Bayview did not receive the on-call stipend for the second half of FY 2013 until FY 2014.*

Payment for Services Provided to Patients Enrolled in Medicaid

Trauma care provided to Medicaid patients is reimbursed at 100 percent of the Medicare Baltimore locality rate, instead of the standard Medicaid rate. The Trauma Fund is responsible for 50 percent of the difference between the Medicare rate and the standard Medicaid rate and the federal government is responsible for the other 50 percent. MHCC anticipates that the program will continue to encounter delays in reporting to the Trauma Fund on money owed. These delays are attributable to the small amount of money involved and the complexity associated with identifying trauma services that are eligible for reimbursement from the Trauma Fund, especially for Medicaid Managed Care Organization (MCO) beneficiaries.

Table 6 – FY's 2015-16 Trauma Fund Payments to Medicaid

Month	Amount Paid
June 2015	3,808
July 2015	3,992
August 2015	5,095
September 2015	6,716
October 2015	7,622
November 2015	3,345
December 2015	4,477
January 2016	1,901
February 2016	4,632
March 2016	4,398
April 2016	4,455
May 2016	6,276
TOTAL	**$56,715**

HSCRC Standby Expense Allocation

The HSCRC used the Reasonable Compensation Equivalent (RCE) developed by Medicare to set reasonable allowable standby cost ceilings.[3] The actual costs per hour of standby were compared to these cost ceilings to include standby costs in the applicable hospital's rate base in FY 2005. Approximately $4.1 million was included in FY 2005 rates for standby costs. Overall rates are updated each year (including these standby amounts) by applying the current year update factor to aggregate charges from the previous year. Table 7 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 wishes to increase standby expenses in rates and qualifies under HSCRC rules and procedures, a full

[3] The RCE limits are updated annually by CMS on the basis of 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.

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 allocation costs do not have a financial impact on the Fund because the expenses are incorporated into the hospitals' approved rates.

Table 7- Maryland Trauma Standby Costs in HSCRC-Approved Rates FY 2016

Trauma Center	Inpatient	Outpatient	Total
Johns Hopkins Hospital	$1,083,884	$169,230	$1,253,114
Prince George's Hospital Center	2,054,212	60,524	2,114,735
Sinai Hospital	832,608	713,457	1,546,065
Suburban Hospital	547,583	234,835	782,418
Peninsula Regional Medical Center	-	-	-
Meritus Medical Center	678,260	342,856	1,021,116
Western Maryland Regional Medical Center	415,650	85,883	491,533
Total	**$5,602,197**	**1,606,785**	**$7,208,982**

Note: Peninsula Regional Medical Center reports no standby costs. Approximately $4,127,800 in standby expense was included in FY 2005; the difference is due to the cumulation of HSCRC's annual updates for inpatient and outpatient services in FY's 2006-2014.

Payment to Children's National Medical Center for Standby Expense

The law allows the Fund to issue an annual grant of up to $590,000 to Children's National Medical Center (CNMC, Children's) for providing standby services that are used by Maryland pediatric trauma patients. The annual grant increased from a maximum allowable stipend of $275,000 to $490,000 as a result of changes at the close of the 2006 legislative session and another increase of $100,000 as a result of legislative changes in 2008. Children's reported **$1,627,831** in standby costs for Maryland pediatric patients in FY 2016; $1,658,151 in standby costs for Maryland pediatric patients in FY 2015; and $1,604,471 in FY 2014. The FY 2016 payment of $590,000 will appear in disbursements in FY 2017, as the application was received from CNMC in September of 2016, following the close of the fiscal year.

Trauma Equipment Grant Program

The Commission disbursed approximately $42,000 to each of the Level II and Level III trauma centers in FY 2016, for a total trauma equipment grants' expenditure of $294,000 from the Trauma Fund surplus. The statute permits expending ten percent of the surplus balance for trauma equipment grants. The surplus is expected to be approximately $9.6 million at the end of FY 2017. We plan to increase trauma equipment grants to $600,000 for FY 2018 and steadily increase them to the statutorily permitted ten percent of surplus.

Administrative Expenses

The Commission continued to contract with CoreSource, Inc. to provide claim adjudication services. MHCC awarded a five-year contract to CoreSource in December 2013.

Myers and Stauffer LC reviews the on call, standby, equipment grant, and uncompensated care applications submitted to the Fund.

In Fiscal Year 2017, MHCC plans to recover the personnel costs associated with operating the Fund in addition to the claim processing and audit expenses that have always been billed to the Fund.

Revenue and Reimbursement Outlook

Table 8, below, presents estimated revenue (collections from the $5 motor vehicle surcharge) and projected disbursements for FY 2017. The MHCC estimates that revenue from the MVA will increase modestly.

Reimbursement for on call services is the single most important driver of payments in the program. Most Maryland Trauma Centers are collecting close to the full amount of on-call payment for which they are eligible. Other categories of disbursement covered by the Trauma Fund are capped by statute or are expected to slightly decline. We expect revenue to increase slightly in FY 2017 with reimbursements climbing to $10 million. The increases in reimbursements willl be due to higher on call payments required by the statute and an increase in Medicaid underpayment reimbursement.

Table 8 – Actual and Projected Trauma Fund Spending for FYs 2015-2017

	Actual FY 2015	Actual FY 2016	Projected FY 2017
Carryover Balance from Previous Fiscal Year	$4,297,238	$5,030,484	$7,886,301
Collections from the $5 surcharge on automobile renewals	$11,999,199	$12,316,030	$12,500,000
TOTAL BALANCE and COLLECTIONS	$16,999,716	$17,346,604	$20,387,580
Total Funds Appropriated	$12,000,000	$12,000,000	$12,000,000
Credits	$703,729	$187,736	$198,000
Payments to Physicians for Uncompensated Care	($4,313,477)	($1,590,273)	($1,800,000)
Payments to Hospitals for On Call	($6,323,847)	($6,956,389)	($8,000,000)
Medicaid	($66,301)	($56,715)	($100,000)
Children's National Medical Center	($542,800)	($590,000)	($590,000)
MHCC Administrative Expenses (TPA & Audit)	($722,817)	($160,571)	($250,000)
Trauma Grants (funding drawn from Fund Balance)	$0	($294,000)	$0
Transfers to the General Fund	$0	$0	$0
PROJECTED FISCAL YEAR-END BALANCE	$5,030,574	$7,886,301	$9,647,580

Maintaining Reimbursement Levels and Fund Stability

MHCC believes the Fund balances will continue to grow over the next several years due to expansion of insurance coverage and the parallel reduction in uncompensated care. The MHCC has flexibility by statute to adjust the funding levels. In November 2015, MHCC raised reimbursement levels for trauma physicians and hospitals to compensate physicians for the increased complexity of treating trauma patients and to offset the reductions in payments from 2010 to 2015 when reimbursement was set at 92 percent of Medicare. These changes were implemented in July 2016 and are outlined in Table 9.

The main driver of the growing fund balance is the reduction in uncompensated care claims. Uncompensated care reimbursements will remain below historic levels. Increased payments to physicians for Medicaid undercompensated care have not grown as expected, although it is now easier to qualify for Medicaid. MHCC staff is confirming that Medicaid and Medicaid MCO trauma claims are paid appropriately.

Raising fee levels above 105 percent of the Medicare rate will have little impact on total uncompensated care reimbursement because claims continue to decline, but additional increases will increase on-call

reimbursement. Historically, about 60 percent of total provider reimbursements have been for on-call payments and about 40 percent have been for uncompensated and Medicaid undercompensated care. The percent of total payments for uncompensated and undercompensated care fell to 33 percent in 2014 and to 16 percent in 2015 because these claims declined sharped, while on-call hours remained stable. Both uncompensated care and on-call are subject to the same adjustments, but only on-call has increased, further shifting the percent of payments.

Table 9 – Options for Modifying the Trauma Fund

Recommendations	Strengths/Weaknesses
1. **Continue the revision of the payment for uncompensated care by reimbursing at a rate of up to 105% of the Medicare payment for the service for the Baltimore and Surrounding Counties locality, as set by the MHCC in consultation with the HSCRC, annually, beginning in FY 2017;**	Permits reimbursement at a higher rate to compensate for 8% Fund reduction in effect for FY's 2010 through 2015.
2. **Continue to reimburse on-call at 105% of trauma center reported costs, which beginning in FY 2017, and to be annually reviewed for funding availability thereafter.** **MHCC is permitted to make these adjustments, in consultation with HSCRC, under Health-General §19-130(d)(4)(iv). In making the adjustments, MHCC determines that increasing the payment rate above 100% of the Medicare payment for the service will address an unmet need in the State trauma system. MHCC has found that the adjustment in reimbursement levels is in recognition of the significant reductions in reimbursement that trauma physicians were asked to absorb from FY 2010 through FY 2015. MHCC will make a recommendation regarding the continuation of this adjustment in the report due in November 2017.**	

Consensus among trauma center hospitals and physicians has been a key factor in maintaining the financial support for the Maryland trauma care system. In the past, MHCC has been careful to recognize that different centers had distinct funding challenges. If further adjustments are made for FY 2018, those adjustments should apply only to uncompensated care and Medicaid undercompensated care. This change would affect physicians practicing at R. Adams Cowley Shock Trauma Center at UMMS, Johns Hopkins Hospital Trauma Center, and Prince George's Hospital Center Trauma Center where the bulk of uncompensated trauma care is delivered. R. Adams Cowley Shock Trauma Center at UMMS is not eligible for on-call payments and the Johns Hopkins Hospital Trauma Center is eligible for only a small on-call payment. MHCC staff will recommend the additional adjustments before the start of the fiscal year 2018. We will also consider broader statutory changes that could provide supplemental payments to trauma practices that deliver significant amounts of trauma care.

Appendices

Appendix Table 1

Maryland Motor Vehicle Registration Fees
Collections per Month, FY 2016

Month	Revenue
June 2015	$1,137,033
July 2015	$1,108,044
August 2015	$925,143
September 2015	$1,108,393
October 2015	$902,943
November 2015	$940,210
December 2015	$840,180
January 2016	$942,685
February 2016	$1,099,799
March 2016	$1,100,985
April 2016	$1,023,209
May 2016	$1. 187,408
Total Revenue FY 2016	$12,316,030

Appendix Table 2

Uncompensated Care Payments in FY 2015,

Percent Paid by Practice

Participating Practice	Percent of Claims Paid
Abdul Cheema	0.02
Adam Schechner	4.93
Brajendra Misra	1.69
Community Surgical Practice LLC	2.19
Delmarva Radiology, PA	1.37
Dimensions Healthcare Associates, Inc.	2.83
Drs. Falik & Karim, PA	0.02
Emergency Services Associates	5.46
Eric J. Kraut, MD, LLC	0.49
First Colonies Anesthesia, LLC	0.78
Imran H. Chowdury	3.51
JHU, Clinical Practice Association	18.02
Jacek Malik, Peninsula Regional Medical Center	0.06
Johns Hopkins Community Physicians	0.33
Kenneth Means	0.34
James Robey	0.06
Jeffrey Meunch	1.55
Konrad Dawson	0.62
Larry Bryant	0.12
Meritus Physicians - Trauma	0.43
Mohammad Khan	5.31
Mohammad Naficy	1.26
Montague Blundon, III	0.67
Nia D. Banks, MD, PhD, LLC	0.25
North American Partners-Maryland	0.02
Ortho Trauma Bethesda	1.86
Parkway Neuroscience and Spine Institute, LLC	0.29
Peninsula Orthopedic Associates, PA	0.56
Revathy Murthy	0.17
Robert Karp	0.10
Said A Daee MD PA	3.36
Sagar Nootheti	1.96
Shock Trauma Associates, P.A.	11.98
Sinai Surgical Associates	0.13
Trauma Surgery Associates	1.70
Trauma Surgical Associates	1.30

Univ of MD Diagnostic Imaging Specialists, P.A.	**7.87**
Univ of MD Eye Associates, PA	**0.01**
Univ of MD Oral Maxial Surgical Associates	**1.56**
Univ of MD Ortho Trauma Associates	**10.00**
Univ of MD Orthopaedics Assoc., PA	**0.55**
Univ of MD Pathology Assoc., PA	**0.03**
Univ of MD Physicians, P.A.	**0.03**
Univ of MD Surgical Associates, PA	**0.07**
Yardmore Emergency Physicians	**1.33**
All	**100%**