

STATE OF MARYLAND

Andrew N. Pollak, MD
CHAIR



Ben Steffen
EXECUTIVE DIRECTOR

MARYLAND HEALTH CARE COMMISSION

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

October 30, 2020

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

The Honorable Bill Ferguson
President of the Senate
H-107 State House
Annapolis, MD 21401-1991

The Honorable Adrienne A. Jones
Speaker of the House
H-101 State House
Annapolis, MD 21401-1991

RE: Maryland Trauma Physician Services Fund Annual Report, Health General § 19-130(f); MSAR #7094

Dear Governor Hogan, President Ferguson and Speaker Jones:

The Maryland Health Care Commission (MHCC) would like to request a two-month extension for the Maryland Trauma Physician Services Fund Annual Report required under Health General, § 19-130(f), Maryland Code. This report is due November 1, 2020. MHCC requests additional time to validate the financial figures contained in the report.

If you have any questions, or would like to discuss this request, please contact Ben Steffen, MHCC's Executive Director (Ben.Steffen@maryland.gov, 410-764-3565), or Megan Renfrew, Government Affairs (Megan.Renfrew@maryland.gov, 443-615-1338).

Thank you for your consideration of this request.

Best Regards,

A handwritten signature in black ink that reads "Ben Steffen".

Ben Steffen
Executive Director
Maryland Health Care Commission

October 30, 2020

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cc: The Honorable Delores G. Kelley
The Honorable Shane E. Pendergrass
Robert R. Neall, Secretary, Maryland Department of Health
Sarah Albert, Department of Legislative Services
Katie Wunderlich, Executive Director, Health Services Cost Review Commission
Megan Renfrew, Government Affairs, Maryland Health Care Commission



MARYLAND HEALTH CARE COMMISSION

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

December 29, 2020

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

The Honorable Bill Ferguson
President of the Senate
H-107 State House
Annapolis, MD 21401-1991

The Honorable Adrienne A. Jones
Speaker of the House
H-101 State House
Annapolis, MD 21401-1991

RE: Maryland Trauma Physician Services Fund

Dear Governor Hogan, President Ferguson and Speaker Jones:

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 approximately \$13.3 million in FY 2020. Comparing FY 2019 to FY 2020, uncompensated care payments and on call and standby payments incrementally increased. Transfers from the Motor Vehicle Administration to the Fund decreased \$909,000 from FY 2019 to FY 2020 due to extension of registration renewals via Governor Hogan's State of Emergency.

The MHCC has recommended continuing reimbursement for uncompensated care at 105% of the Medicare Fee Schedule rate for the Baltimore region.

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

Sincerely,

A handwritten signature in cursive script that reads 'Ben Steffen'.

Ben Steffen
Executive Director

cc: The Honorable Delores Kelley
The Honorable Shane E. Pendergrass

Dennis Schrader, Acting Secretary DHMH
Sarah Albert – DLS (5 Copies)

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

Operations from July 1, 2019 through June 30, 2020

Report to the

MARYLAND GENERAL ASSEMBLY

December 2020

Andrew N. Pollak, MD
Chair

Adam Kane, Esq.
Chair

Ben Steffen
Executive Director
Maryland Health Care Commission

Katie Wunderlich
Executive Director
Health Services Cost Review Commission

Prepared by the
Maryland Health Care Commission



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Martin L. "Chip" Doordan, MHA
Retired Chief Executive Officer
Anne Arundel Medical Center

Marcus L. Wang, Esq.
Co-Founder, President and General Manager
ZytoGen Global Genetics Institute

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

This annual report on the Maryland Trauma Physicians Services Fund for Fiscal Year 2020 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.

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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 all eligible providers and the administrative costs associated with making those payments were \$13,319,562 in FY 2020. The Fund reserve at the end of FY 2020 was \$2,085,101.

In previous years, implementation of the insurance coverage provisions of the Patient Protection and Affordable Care Act (ACA) had led to reduced financial pressure on the Fund for reimbursement of uncompensated care, as a significant share of those currently uninsured have gained access to coverage.

The COVID-19 pandemic had a significant impact on the Trauma Fund in several ways. There was a drastic reduction in transfers from the Motor Vehicle Administration (MVA) to the fund. Deadlines for vehicle registration renewals have been extended until Governor Hogan rescinds the State of Emergency. This extension resulted in a \$909,000 reduction in collections over FY 19. Stay at home orders in place since March 2020 lead to reduced travel for work and leisure. As a result, trauma cases fell and there were slight reductions in uncompensated care costs and Medicaid supplemental payment.

The Maryland Health Care Commission (“MHCC” or “Commission”) continued its policy of paying uncompensated care and on-call stipends at 105% of the Medicare rate in FY 2020. The reimbursement rate was raised to 105% in FY 2017 to reflect the greater complexity of trauma care, when patients often present with multiple internal and skeletal injuries.

Background

During the 2003 legislative session, the Maryland General Assembly enacted legislation that created the Maryland Trauma Physician Services Fund to aid Maryland’s trauma system by reimbursing trauma physicians for uncompensated care losses and by raising Medicaid payments to 100% 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, orthopaedists, neurosurgeons, and anesthesiologists.¹ The legislation directed the Health Services Cost Review Commission (HSCRC) to allow trauma center hospitals to include trauma-related standby expenses in HSCRC-approved hospital rates. The statute has been modified several times since passage in 2003; the most significant changes expanded eligibility for Fund payments to other classes of trauma physicians and/or increased payment levels for classes of providers.

The expansions in eligibility are due in part because revenue generated from the \$5 fee on automobile registrations and registration renewals has been sufficient to meet permitted funding requirements as health policy in the State evolved. The passage of the Affordable Care Act (ACA) led to an expansion in Medicaid and private insurance coverage, which decreased uncompensated

¹On-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 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.

trauma payments from the Trauma Fund. Over the course of several years, a sizable Trauma Fund reserve developed. In the 2018 Legislative Session, the Legislature through the Budget and Reconciliation Financing Act redirected \$8 million from the Fund’s reserve for Medicaid provider reimbursements. This funding was transferred to the General Fund at the end of FY 2019 leaving the year-end balance at \$3,906,147.

Trauma providers have paid attention to the Trauma Fund reserve and have sought to expand eligibility when new needs arise. The most recent change occurred in the 2019 Legislative Session when the General Assembly enacted legislation that made the Primary Adult Resource Center at the University of Maryland (PARC) eligible for standby payments. This legislation directs MHCC to subsidize costs incurred for standby and on-call for trauma surgeons, orthopedic surgeons, neurosurgeons, and anesthesiologists at PARC beginning in FY 2020. The MHCC, in consultation with HSCRC, devised a temporary solution for reimbursing standby expenses at PARC during FY 2020 from the Trauma Fund until a permanent approach can be implemented. The reimbursement levels created for PARC in FY 2020 are consistent with those applied to other Trauma Centers. The difference is that payments were made from the Trauma Fund, whereas other trauma centers allowed standby expenses to be included in their HSCRC hospital rates. In FY 2020, the MHCC issued payments totaling \$2,444,700 to PARC. HSCRC, in consultation with MHCC, incorporated PARC’s allowable standby costs into their HSCRC hospital rates using the same methodology that is applied to other trauma centers.

Status of the Fund at the End of FY 2020

In FY 2020, the MVA reported collecting less revenue than in the previous fiscal year. This reduction is directly related to the State of Emergency orders that extended the deadlines for automobile registration renewals. Collections by the MVA, via the \$5 surcharge, totaled \$11,798,484. The Trauma Fund disbursed about \$10.9 million to trauma centers and trauma physician practices and \$2.4 million to PARC over the past fiscal year. Table 1, below, sets forth obligations incurred after FY 2020-year end. Table 2, below, summarizes the revenue, disbursements, and the Fund balances at the end of FYs 2018, 2019, and 2020.

Outstanding Obligations for FY 2020

The Fund incurred but did not reimburse \$4.7 million in obligations, which are not reflected in the FY20 year end balances. These obligations result from on-call and standby stipends paid by trauma hospitals from January 2020 through June 2020 but reported to MHCC after the end of the fiscal year. As in past years, these obligations are paid from the Fund in the subsequent fiscal year.

Table 1 – FY 2020 Obligations Incurred after Year End

On-call stipends	\$4,103,865
Children National Medical Center Standby	\$590,000
TOTAL INCURRED BUT NOT PAID IN FY 2020	\$4,693,865

Table 2 presents the trend in Trauma Fund collections and disbursements from FY 2018 through 2020. Uncompensated care payments made to physicians that delivered care to uninsured trauma patients accounted for approximately 13.5% of total reimbursements in FY 2020. By comparison, in FY 2014 uncompensated care accounted for 37% of total payments.

On-call payments increased to \$8.3 million up from \$8.1 million in FY 2019. On-call payments account for 60.5% of spending in FY 2020 and remains the largest cost driver of the fund.

Table 2 – Trauma Fund Status on Cash Flow, FYs 2018-2020

CATEGORY	FY 2018	FY 2019	FY 2020
Fund Balance at Start of Fiscal Year	\$10,413,745	\$11,025,142	\$3,906,147
Collections from the \$5 Registration Fee	\$12,445,331	\$12,707,734	\$11,798,484
Credit Recoveries	\$87,268	\$126,931	\$161,719
TOTAL (Balance, Collections, and Recoveries)	\$22,946,344	\$23,859,807	\$15,866,350
Uncompensated Care Payments	(\$1,599,446)	(\$1,864,933)	(\$1,877,081)
On-Call Expenses	(\$7,914,887)	(\$8,130,153)	(\$8,300,327)
Medicaid Payments	(\$109,282)	(\$143,642)	(\$194,095)
Medicaid/Medicare Differential Payment for FYs 2017 and 2018 (Paid in following FY)	(\$1,000,448)	(\$1,158,583)	(\$0)
Children’s National Medical Center Standby	(\$590,000)	(\$590,000)	(\$590,000)
Trauma Equipment Grants (Disbursed from the Fund)	(\$599,998)	(\$0)	(\$299,999)
Reimbursement to PARC - Senate Bill 901 (Maryland Trauma Fund – State Primary Adult Resource Center - Reimbursement of On-Call and Standby	(\$0)	(\$0)	(\$2,444,700)
Administrative Expenses	(\$107,140)	(\$66,349)	(\$75,077)
TOTAL	(\$11,921,201)	(\$11,953,660)	(\$13,781,279)
Reduction from the 2018 Budget and Reconciliation Financing Act Legislation	(\$0)	(\$8,000,000)	(\$0)
TRAUMA FUND BALANCE	\$11,025,142	\$3,906,147	\$2,085,071

Payment to Practices for Uncompensated Trauma Care

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 initial hospital visit. Burn care treatment can extend for a considerable timeframe 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 if the treatment is directly related to the initial injury. To be eligible for payment, services must be provided at the trauma center or at a trauma center-affiliated rehabilitation hospital setting. Table 3, presents the distribution of uncompensated care claims paid by the trauma center (in percentages) in which

the care was provided for the fiscal years 2018 through 2020. The distribution of uncompensated care payment shows slight increases or decreases for particular hospitals year to year. Prince George’s Hospital Center had a significant increase in uncompensated care payments in FY 2020 due to the transition to a new billing system that was more effective in flagging trauma claims eligible for uncompensated care payment. Prince George’s Hospital Center’s share of uncompensated care payments increased due to improvements in claim submission and the backlog that had developed in claim submission during the transition to the new system.

Table 3 – Distribution of Uncompensated Care Payments by Trauma Center, FYs 2018-2020

Facility	% of Uncompensated Care Payments FY 2018	% of Uncompensated Care Payments FY 2019	% of Uncompensated Care Payments FY 2020
UMD Shock Trauma Center & UMD practices	50.07	57.51	43.31
Johns Hopkins Hospital Adult Level One	8.81	5.44	4.69
Prince George's Hospital Center	15.62	12.52	29.36
Johns Hopkins Bayview Medical Center	6.58	5.75	4.10
Suburban Hospital	13.89	10.75	7.53
Peninsula Regional Medical Center	2.34	4.47	3.33
Sinai Hospital of Baltimore	0.3	0.09	3.58
Johns Hopkins Regional Burn Center	0.38	0.41	0.41
Meritus Medical Center	0.72	0.68	0.68
Western Maryland Regional Medical Center	0.46	0.03	0.00
Johns Hopkins Wilmer Eye Center	0.61	0.22	0.07
Johns Hopkins Hospital Pediatric Center	0.22	0.02	0.13
MedStar Union Memorial	0	2.10	2.81

A practice must confirm that the patient has no health insurance and directly bill the patient – applying its routine collection policies – before applying for uncompensated care payments. If the patient is uninsured and full payment (100% 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.

Payment for Trauma On-Call Services

The need to ensure physician availability is especially important in trauma care. Hospitals reimburse physicians for being trauma 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 and 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 level 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.

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 trauma centers must have a trauma surgeon and an anesthesiologist on standby and a neurosurgeon and an orthopedist on-call and be able to respond

within 30 minutes. Level II trauma centers may substitute a third-year surgical resident for a trauma surgeon on standby; 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 for Level III trauma centers and 24,500 hours for Level II trauma centers per year. FY 2010 was the first year that expanded on-call stipends were reimbursed to the specialty trauma centers because of the statutory changes enacted in 2008. Most trauma centers are receiving the maximum reimbursement due to on-call submission requests exceeding the allowable threshold under the current statute. 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 is generating billable services, the hospital does not reimburse on-call for those hours. Several of the Level II trauma centers do not pay on-call for anesthesiologists because these physicians are employed by the health system.

Table 4 – On-Call Payments to Trauma Centers, FYs 2018-2020

Trauma Center	\$\$ FY 2018	\$\$ FY 2019	\$\$ FY 2020
Johns Hopkins Bayview Medical Center	987,879	977,550	993,318
Johns Hopkins Adult Level One	171,652	174,762	178,266
Prince George’s Hospital Center	726,371	725,957	843,076
Sinai Hospital of Baltimore	827,725	870,784	829,174
Suburban Hospital	797,198	863,077	881,511
Peninsula Regional Medical Center	1,457,490	1,493,302	1,431,736
Meritus Medical Center	1,525,565	1,372,537	1,437,572
Western Maryland Regional Medical Center	999,491	1,227,839	1,327,087
Johns Hopkins Adult Burn Center	85,826	87,382	89,134
Johns Hopkins Wilmer Eye Center	85,826	87,382	89,134
Johns Hopkins Pediatric Trauma	164,038	162,199	111,185
Union Memorial, Curtis National Hand Center	85,826	87,382	89,134
TOTAL	\$7,914,887	\$8,130,153	\$8,300,327

Payment for Services Provided to Patients Enrolled in Medicaid

The Trauma Fund is responsible for reimbursing for the difference between the Medicare rate and the Medicaid rate for Medicaid trauma care beneficiaries. Beginning in 2017, trauma practices identified three limitations with Medicaid trauma payments. First, practices contended that some Medicaid Managed Care Organizations (MCOs) failed to properly identify trauma claims and consequently had not paid these claims at 100% of the Medicare rate as is required for trauma care. Second, trauma practices argued that they should be reimbursed at 105% of the Medicare rate, consistent with the how uncompensated care claims were paid beginning in 2017. Finally, trauma practices requested that the Trauma Fund reimburse trauma physicians for each surgical procedure at 105% of the Medicare rate as opposed to under the “multiple procedure rule”. Medicare, Medicaid, and most private payers routinely reduce the reimbursement for procedures performed simultaneously with a primary surgery. Under this so-called “multiple procedure rule,” Medicaid would pay a reduced amount for the second and subsequent procedures performed during the same surgical event. Typically, the first procedure is paid at 100% of the Medicaid fee schedule, the second at 50%, and any subsequent at 25%. The MHCC does not apply the “multiple procedure rule” during adjudication for uncompensated care and trauma physicians argued for parity of payment due to the complex nature of injuries secondary procedures for all trauma

patients including those covered by Medicaid. MHCC and Medicaid agreed to adjust Medicaid claims reimbursed by the Trauma Fund for all three of these issues beginning with services provided in 2017. The Trauma Fund paid trauma practices an additional \$1 million in 2018 for 2017 claims and \$1.1 million in 2019 for 2018 claims. In May 2020, MHCC was notified that additional payments for 2019 had climbed to \$2.5 million. The \$2.5 million supplemental payment would absorb the entire Trauma Fund reserve. MHCC is examining the causes for the much higher payments in 2019. The magnitude of the payment, if correct, would require MHCC to reimburse practices for only a portion of the higher costs. The additional payments are not mandated under Maryland law, but the MHCC has discretion to adjust payments when appropriate. At the close of FY 2020, MHCC authorized a payment of \$194,095 to Medicaid for supplemental payments. MHCC expects to authorize additional supplemental payments in 2021 for 2019 and 2020 Medicaid trauma beneficiaries subject to the obligation to maintain the solvency of the Trauma Fund.

**Table 5 – FY 2020
Trauma Fund Payments to Medicaid for Disbursement to Trauma Physicians and Hospitals**

Month	Amount Paid
July 2019	26,886
August 2019	12,177
September 2019	15,772
October 2019	10,106
November 2019	16,458
December 2019	10,977
January 2020	11,976
February 2020	19,688
March 2020	12,354
April 2020	9,646
May 2020	22,167
June 2020	25,887
Medicaid/Medicare Differential Adjustment	0
TOTAL	\$194,095

HSCRC Standby Expense Allocation

The HSCRC used the Reasonable Compensation Equivalent (RCE) developed by Medicare to set reasonable allowable standby cost ceilings.² 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 6 presents the amount of applicable standby costs in each trauma center hospital’s approved rates after the update factors have been applied.

² The RCE limits are updated annually by the Centers for Medicare & Medicaid Services 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.

The 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. The 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 payments are inflated by the annual update factor established by HSCRC allowed standby costs. Standby allocation costs do not have a financial impact on the Fund because the expenses are incorporated into hospitals' approved rates.

Table 6 – Maryland Trauma Standby Costs in HSCRC Approved Rates, FY 2020

Trauma Center	Inpatient	Outpatient	Total
Johns Hopkins Hospital	\$1,201,653	\$187,618	\$1,389,271
Prince George's Hospital Center	2,277,413	67,099	2,344,512
Sinai Hospital	923,076	790,978	1,714,053
Suburban Hospital	607,081	260,350	867,431
Peninsula Regional Medical Center	-	-	-
Meritus Medical Center	751,957	380,109	1,132,065
Western Maryland Regional Medical Center	460,810	95,214	556,024
TOTAL	\$6,221,989	\$1,781,367	\$8,003,357

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 accumulation of HSCRC's annual updates for inpatient and outpatient services in FY's 2006-2020. The update factor for FY 2020 was 2.96%. Totals may not sum due to rounding.

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 ("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 \$1,531,311 in standby costs for Maryland pediatric patients during FY 2020, \$1,955,089 in standby costs during FY 2019, and \$1,807,728 in standby costs during FY 2018.

Trauma Equipment Grant Program

During FY 2020, the Commission disbursed approximately \$42,857 to each of the Level II and Level III trauma centers, for a total expenditure of trauma equipment grants of \$299,999 from the Trauma Fund balance. The statute permits expending 10% of the Trauma Fund balance for trauma equipment grants. The balance at the end of FY 2020 was approximately \$2 million. Funding for the biennial trauma Equipment grants will again be requested in the Fiscal Year 2022 Budget. The MHCC will look to disburse trauma grants during FY 2022 for approximately \$200,000 representing 10% of the Trauma Fund balance at the close of FY 2020.

Administrative Expenses

The Commission continued to contract with CoreSource, Inc. to provide claim adjudication services. The MHCC awarded a five-year contract to CoreSource in December 2013. The Commission modified the existing contract for an additional year with a no-cost extension, as funding in the original contract is not exhausted.

Myers and Stauffer, LLC reviews the on-call, standby, equipment grant, and uncompensated care applications submitted to the Fund. The Commission has taken steps to modify its existing contract for an additional year with a no-cost extension, as funding in the original contract was not exhausted.

Both contracts will go through the procurement process in late FY 2021 to be awarded in FY 2022.

Revenue and Reimbursement Outlook

Table 7, Actual and Projected Trauma Fund Spending for FYs 2019-2021 presents estimated revenue (collections from the \$5 motor vehicle surcharge) and projected disbursements for FY 2021. The MHCC estimates that revenue from the MVA will increase modestly over the next year. The COVID-19 pandemic has had a direct impact on collections due to extensions given for registration renewals for Maryland residents. It is anticipated that the reduction in collections for FY 2020 will be compensated for in FY 2021.

Growing reimbursement for on-call services is the single most important driver of higher payments in the program. Most Maryland Trauma Centers are collecting nearly the full amount of on-call payment for which they are eligible. Although the MHCC expects revenue to increase during FY 2021, it is also anticipated that on-call payments will increase as well.

Maintaining Reimbursement Levels and Fund Stability

The MHCC believes the stability of the Fund can be maintained over the next couple of years through its current authority. It should be noted that consensus has been a key success factor in the trauma coalition's campaign to establish financial support of the Maryland trauma care system.

Current Adjustments to Trauma Fund Spending and Options for Additional Modifications

The Commission identified options that result in greater reimbursement for trauma physicians while providing overall system efficiencies in FY 2016. The MHCC made adjustments in Trauma Fund expenditures in consultation with HSCRC, under Health General §19-130(d)(4)(iv). In making adjustments, MHCC determined that increasing the payment rate above 100% of the Medicare payment for the service would address an unmet need in the State trauma system. The Commission found that the adjustment in reimbursement levels was made in recognition of the significant reductions in reimbursement that trauma physicians were asked to absorb from FY 2010 through FY 2015. The MHCC recommends keeping the reimbursement rate at 105% through FY 2021.

Developing Challenges

When the Fund was established in 2003, the Maryland General Assembly identified funding needs for uncompensated care, Medicaid supplemental payment, physician on-call, and physician standby. Providing stable funding for these needs were deemed essential for sustaining Maryland's Trauma Care System. In the past 16 years, eligibility to the Fund has been expanded several times.

Similarly, MHCC and trauma providers worked together during the Great Recession to adjust reimbursements to account for greater demands on the Fund and to preserve its solvency. In 2020, MHCC and trauma providers will consider potential adjustments to the Fund. Although the Medicaid expansion under the ACA has reduced some stress on the Fund, it must still address the inadequacy of Medicaid reimbursement for trauma care. In 2019, MHCC in collaboration with Medicaid and trauma providers took steps to make trauma payments under Medicaid more reflective of the cost of providing trauma care. Although this has been beneficial to trauma physicians in Baltimore City and Prince George's County in particular, it has increased payments from the Fund.

The increase in on-call payments has become more significant. On-call payments increased from \$5.6 million in 2010 to \$8.3 million in 2020. On-call payments account for about two-thirds of the revenue from the MVA. The imbalance among the three primary funding obligations of the Fund of uncompensated care, Medicaid supplemental payment, and on-call has the potential to undercut the broad support for the Fund among all trauma providers if a single funding stream becomes dominant. The MHCC also recognizes that the establishment of tough hospital global budgets have made it more difficult for hospitals to sustain on-call trauma stipends without support from the Fund.

The Fund ended FY 2020 with a \$2.0 million reserve. The MHCC will defer the payment of a portion of the \$2.5 million in Medicaid supplemental payments until the FY 2021 revenue picture is clearer.

MHCC is not recommending statutory changes in FY 2021. The key objective will be to maintain financial solvency of the Trauma Fund during the PHE. Over the next year, MHCC will work with the Trauma Network and policymakers to examine these potential funding challenges in an open and collaborative manner. After the PHE has concluded, MHCC recommends a broad assessment of the Trauma Fund that examines modifying reimbursement levels, achieving operational efficiencies in the administration, and possible revenue enhancements.

Table 7 – Actual and Projected Trauma Fund Spending, FYs 2019-2021

	Actual FY 2019	Actual FY 2020	Projected FY 2021
Carryover Balance from Previous Fiscal Year	\$11,025,142	\$3,906,147	\$2,085,071
Collections from the \$5 surcharge on automobile renewals	\$12,707,734	\$11,798,484	\$12,100,000
TOTAL BALANCE & COLLECTIONS	\$23,732,876	\$15,704,631	\$14,185,071
Total Funds Appropriated	\$12,000,000	\$12,300,000	\$12,000,000
Credits	\$126,931	\$161,719	\$125,000
Payments to Physicians for Uncompensated Care	(\$1,864,933)	(\$1,877,081)	(\$1,900,000)
Payments to Hospitals for On-Call	(\$8,130,153)	(\$8,300,327)	(\$8,550,000)
Stand-By Costs for Shock Trauma PARC	\$0	(\$2,444,700)	(\$0)
Medicaid	(\$143,642)	(\$194,095)	(\$221,095)
Medicaid/Medicare Differential Payment for FYs 2017 and 2018 (Paid in following FY)	(\$1,158,583)	(\$0)	(\$0)
Children’s National Medical Center	(\$590,000)	(\$590,000)	(\$590,000)
MHCC Administrative Expenses (TPA & Audit)	(\$66,349)	(\$75,077)	(\$90,000)
Trauma Equipment Grants (funding drawn from Fund Balance)	(\$0)	(\$299,999)	(\$0)
Transfers to the General Fund	(\$8,000,000)	(\$0)	(\$0)
PROJECTED FISCAL YEAR-END BALANCE	\$3,906,147	\$2,085,071	\$2,958,976

**Table 8 – Options for Modifying Trauma Fund Expenditures
Statutory Change Not Required**

Options	Discussion
<p>1. Reimbursement for uncompensated care up to 105% of the Medicare payment for services for Baltimore City and surrounding counties locality, as set by MHCC in consultation with HSCRC, annually.</p> <p>The MHCC has the authority to implement this reimbursement change.</p>	<p>Current law permits reimbursement at a higher rate for trauma physicians and trauma centers.</p> <p>The Commission revised the payment for uncompensated care by reimbursing at a rate of up to 105% of the Medicare payment for the service for Baltimore City and surrounding counties locality, as set by MHCC in consultation with HSCRC, beginning in FY 2017.</p>
<p>2. Medicaid supplemental payments should be paid using the same payment rates and policies as apply to uncompensated care claims to the extent funds are available. Currently, Medicaid trauma claims are paid at 100% of the Medicare rate in the Baltimore region. Uncompensated care claims are paid at 105% of the Medicare rate.</p> <p>The MHCC has the authority to implement this reimbursement change.</p>	<p>MHCC has contracted with the Hilltop Institute to identify trauma claims that have not been correctly flagged by Medicaid MCOs. The Hilltop Institute is also charged with calculating the additional payments for raising fees to 105% of Medicare fees and for eliminating the multiple procedure rule. This policy leads to payment reductions for second and third procedures performed at the same time</p> <p>If Trauma Funds are adequate, MHCC would reimburse trauma physicians directly rather than through the Medicaid MMIS system after Medicaid has authorized the payment.</p> <p>Trauma funds may not be sufficient to reimburse Medicaid trauma claims using the same payment rates and policies as apply to uncompensated care claims for second and subsequent procedures. Currently, they are paid 100% of the Medicare fee.</p>
<p>3. Reimburse standby for PARC using the current methodology until the HSCRC is added to PARC in hospital rates.</p>	<p>HSCRC is working to add standby for PARC to hospital rates in 2021.</p>
<p>4. Reimburse on-call at 105% of authorized levels to after considering obligations for uncompensated care payments and Medicaid supplemental payments.</p> <p>The MHCC has the authority to implement this reimbursement change.</p>	<p>On-call payments have expanded rapidly and now constitute over 66% of Trauma Funds obligations. On-call payments are critical to sustaining the Maryland Trauma System. Operational needs for modestly higher uncompensated care payments and Medicaid supplemental should have modestly higher precedence given the strain on the Trauma Fund.</p>

Appendix Table 1

**Maryland Motor Vehicle Registration Fee
Collections per Month, FY 2020**

Month	Revenue
July 2019	\$1,186,234
August 2019	\$1,123,530
September 2019	\$1,054,572
October 2019	\$1,122,380
November 2019	\$882,795
December 2019	\$946,335
January 2020	\$1,039,990
February 2020	\$893,598
March 2020	\$819,530
April 2020	\$474,197
May 2020	\$903,965
June 2020	\$1,351,358
Total Revenue - FY 2020	\$11,798,484

**Appendix Table 2 Uncompensated Care Payments Made in FY 2020
Percentage of All Claims Paid by Practice**

	Percent
Physician Name	
Abdul Cheema	0.07
Adam Schechner	4.66
Aminullah Amini	1.72
Andrew Buck	0.00
Bethesda Chevy Chase Orthopaedic Assoc., LLP	0.61
Bijan Bahmanyar	0.23
Community Surg Practice LLC	6.35
Dimensions Healthcare Associates, Inc.	0.02
Emergency Services Associates	0.80
Enrique Daza Racines MD LLC	1.09
JHU,Clinical Practice Association	10.15
James Robey	0.33
Jeffrey Muench	1.04
Johns Hopkins Community Physicians	1.08
Konrad Dawson	0.44
MMG Anesthesiology, LLC	0.11
Medical Practices of Antietam, LLC	0.01
Medstar Medical Group II, LLC	2.70
Meritus Physicians - Trauma	0.94
Mohammad Khan	12.26
Nia D Banks MD PhD LLC	0.14
Ortho Trauma Bethesda	0.28
Parkway Neuroscience and Spine Institute, LLC	0.01
Peninsula Orthopedic Associates, PA	1.63
Said A Dae MD PA	0.02
Shock Trauma Associates, P.A.	26.77
Sinai Surgical Assoc	3.57
The Spine and Joint Center	1.14
Trauma Surgery Associates	1.67
Trauma Surgical Associates	0.89
Univ of MD Diagnostic Imaging Specialists, P.A.	4.89
Univ of MD Oral Maxial Surgical Associates	0.10
Univ of MD Ortho Trauma Associates	13.41
Wendell Miles	0.87
All	100.00