

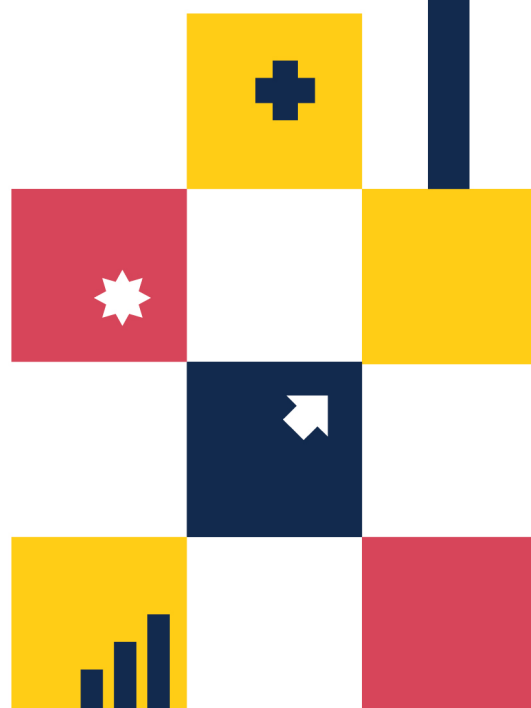
# MARYLAND TRAUMA PHYSICIAN SERVICES FUND

## Health General Article § 19-130

*Operations from July 1, 2021, through June 30, 2022*

Report to the MARYLAND GENERAL ASSEMBLY

December 2022



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*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 \$11,503,205 in FY 2022. Biennial trauma equipment grants awarded to eligible trauma centers in FY 2022 totaled \$194,080. The fund reserve at the end of FY 2022 based on payments to eligible providers, administrative costs and grant disbursements was \$2,894,912. The Fund received a fund transfer of \$4 million as part of the 2022 Budget Reconciliation and Financing Act (BRFA) as a reallocation to the Fund from the \$8 million that was transferred to state general fund as part of the 2018 BRFA. The Fund reserve at the end of FY 2022 was \$6,700,833.

In previous years, implementation of the insurance coverage provisions of the Patient Protection and Affordable Care Act (ACA) 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. FY 2021 was an exception to this trend as reimbursement for uncompensated care increased about 15% over FY 2020. The downward trend however continued in FY 2022 with 19% less reimbursements than in FY 2021 and 4% less than in FY 2020 and Medicaid payments which increased 42% in FY 2021 increased 2% in FY 2022.

Vehicle registration renewals fees totaled \$12,227,047 in FY 2022, a 2.75% decrease from previous fiscal year but a 6.5% increase over FY 2020 which was impacted by Governor Hogan’s State of Emergency, allowing residents to delay renewing if they choose to because of COVID-19 pandemic.

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 2022. 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 trauma center. The legislation also established a formula for reimbursing trauma centers for trauma-related on-call expenses for trauma surgeons, orthopedists, neurosurgeons, and

anesthesiologists.<sup>1</sup> 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 Trauma Fund finances the costs of trauma physicians and trauma centers to provide trauma care to the extent authorized by Maryland law. Some legitimate trauma needs are not authorized and cannot be funded under existing Maryland law and at the same time some previously permitted purposes diminish in cost. The most significant reduction was the decline in uncompensated care trauma payments due to the expansion in Medicaid and private insurance coverage after passage of the Affordable Care Act (ACA). Consequently, a significant Trauma Fund reserve developed. In the 2018 Legislative Session, the Legislature through the Budget and Reconciliation Financing Act (BRFA) 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. In the 2022 Legislative Session, the Legislature through the BRFA redirected \$4 million back to the Fund's reserve leaving a year-end balance of \$6,700,833.

Trauma providers have been attentive 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 directed 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 and \$1,026,976 for the first six months of FY 2021 to PARC. HSCRC, in consultation with MHCC, incorporated PARC's allowable standby

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<sup>1</sup>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 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 center must have physicians in all MIEMSS-designated specialties on-site at all times.

costs into their HSCRC hospital rates using the same methodology that is applied to other trauma centers beginning January 1, 2021. PARC had FY 2021 standby costs of \$2,309,765. A breakdown of PARC’s FY 2022 standby costs were not available for this report. HSCRC recognized standby costs for FY 2022 are detailed on Table 6.

**Status of the Fund at the End of FY 2022**

In FY 2022, the MVA revenues collections decreased about 2.75 % over the previous fiscal year. FY 2020 saw a reduction in collections which was directly related to Governor Hogan’s State of Emergency orders that extended the deadlines for automobile registration renewals. Marylanders started to renew registrations at a more normal pace in FY 2021 as COVID 19 restrictions were lifted. This resulted in additional revenue for FY 2021 and this more normal pace continued in FY 2022. Collections by the MVA, via the \$5 surcharge, totaled \$12,227,047 compared to \$12,562,282 in FY 2021 and \$11,798,484 in FY 2020. The Trauma Fund disbursed about \$11.5 million to trauma centers and trauma physician practices. Table 1, below, sets forth obligations incurred after FY 2022-year end. Table 2, below, summarizes the revenue, disbursements, and the Fund balances at the end of FYs 2020, 2021, and 2022.

**Outstanding Obligations for FY 2021**

The Fund incurred but did not reimburse \$5.2 million in obligations, which are not reflected in the FY 2022-year end balances. These obligations result 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, these obligations are paid from the Fund in the subsequent fiscal year.

**Table 1 – FY 2022 Obligations Incurred after Year End**

<b>Category</b>	<b>FY 2022</b>
On-call stipends	<b>\$4,609,881</b>
Children National Medical Center Standby	<b>\$590,000</b>
<b>TOTAL INCURRED BUT NOT PAID IN FY 2021</b>	<b>\$5,199,881</b>

Table 2 presents the trend in Trauma Fund collections and disbursements from FY 2020 through 2022. Uncompensated care payments made to physicians that delivered care to uninsured trauma patients accounted for approximately 15.8% of total payments in FY 2022. By comparison, in FY 2014, the last year before enactment of the ACA’s insurance reforms, uncompensated care accounted for 37% of total payments.

On-call payments increased by \$404,217 from FY 2021 to FY 2022. On-call payments account for nearly 76% of total spending in FY 2022 compared to 67% in FY 2021 and continues to remain the largest cost driver of the fund. Most Level II and III trauma centers now collect the maximum amount or near the maximum allowed for on-call under the law. On-call payments are derived using a formula

defined in law. By design, on-call payments do not cover the entire cost of the on-call stipends that hospitals pay to trauma physicians.

**Table 2 – Trauma Fund Status on Cash Flow, FYs 2020-2022**

Category	Cash Flow		
	FY 2020	FY 2021	FY 2022
Fund Balance at Start of Fiscal Year	\$3,906,147	\$2,085,101	\$2,171,071
Collections from the \$5 Registration Fee	\$11,798,484	\$12,562,282	\$12,227,047
Credit Recoveries	\$161,748	\$52,527	\$70,872
Addition from the 2022 Budget and Reconciliation Financing Act Legislation	(\$0)	(\$0)	<b>\$4,000,000</b>
<b>TOTAL (Balance, Collections, and Recoveries)</b>	<b>15,866,350</b>	<b>\$14,699,910</b>	<b>\$18,468,990</b>
Uncompensated Care Payments	(\$1,877,081)	(\$2,162,934)	(\$1,818,042)
On-Call Expenses	(\$8,300,327)	(\$8,392,623)	(\$8,796,840)
Medicaid Payments	(\$194,095)	(\$275,160)	(\$280,424)
Medicaid/Medicare Differential Payment for FYs 2017 and 2018 (Paid in following FY)	(\$0)	(\$0)	(\$0)
Children’s National Medical Center Standby	(\$590,000)	(\$590,000)	(\$590,000)
Trauma Equipment Grants (Disbursed from the Fund)	(\$299,999)	(\$0)	(\$194,080)
Reimbursement to PARC - Senate Bill 901 (Maryland Trauma Fund – State Primary Adult Resource Center - Reimbursement of On-Call and Standby	(\$2,444,700)	(\$1,026,976)	(\$0)
Administrative Expenses	(\$75,077)	(\$81,146)	(\$88,771)
<b>TOTAL (Payments, Grants and Expenses)</b>	<b>(\$13,781,279)</b>	<b>(\$12,528,839)</b>	<b>\$11,768,157</b>
<b>TRAUMA FUND BALANCE</b>	<b>\$2,085,101</b>	<b>\$2,171,071</b>	<b>\$6,700,833</b>

**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 2020 through 2022. The distribution of uncompensated care payment shows slight increases or decreases for hospitals year to year.

**Table 3 – Distribution of Uncompensated Care Payments by Trauma Center, FYs 2020-2022**

Facility	% Of Uncompensated Care Payments		
	FY 2020	FY 2021	FY 2022
UMD Shock Trauma Center & UMD practices	43.31	44.38	64.02
Johns Hopkins Hospital Adult Level One	4.69	1.72	3.81
UM Capital Region Medical Center (formerly PGHC)	29.36	34.32	18.07
Johns Hopkins Bayview Medical Center	4.10	3.68	5.06
Suburban Hospital	7.53	7.07	3.26
TidalHealth Peninsula Regional (formerly PRMC)	3.33	0.18	1.65
Sinai Hospital of Baltimore	3.58	5.65	1.60
Johns Hopkins Regional Burn Center	0.41	0.21	0.00
Meritus Medical Center	0.00	0.26	0.00
Western Maryland Regional Medical Center	0.00	0.00	0.00
Johns Hopkins Wilmer Eye Center	0.07	0.05	0.25
Johns Hopkins Hospital Pediatric Center	0.13	0.04	0.03
MedStar Union Memorial	2.81	2.44	0.08
Johns Hopkins University, Clinical Practice Association			0.02

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 standbys 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, however the trauma surgeon 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 2020-2022**

Trauma Center	On-Call Payments		
	FY 2020	FY 2021	FY 2022
Johns Hopkins Bayview Medical Center	\$993,318	\$1,003,822	\$994,319
Johns Hopkins Adult Level One	\$178,266	\$182,558	\$186,764
UM Capital Region Medical Center (formerly PGHC)	\$843,076	\$1,021,160	\$1,044,680
Sinai Hospital of Baltimore	\$829,174	\$788,420	\$799,950
Suburban Hospital	\$881,511	\$807,802	\$936,781
TidalHealth Peninsula Regional (formerly PRMC)	\$1,431,736	\$1,459,877	\$1,476,636
Meritus Medical Center	\$1,437,572	\$1,436,683	\$1,635,888
Western Maryland Regional Medical Center	\$1,327,087	\$1,281,240	\$1,312,410
Johns Hopkins Adult Burn Center	\$89,134	\$91,280	\$93,382
Johns Hopkins Wilmer Eye Center	\$89,134	\$91,280	\$93,382
Johns Hopkins Pediatric Trauma	\$111,185	\$137,221	\$129,266
Union Memorial, Curtis National Hand Center	\$89,134	\$91,280	\$93,382
<b>TOTAL</b>	<b>\$8,300,327</b>	<b>\$8,392,623</b>	<b>\$8,796,840</b>

**Payment for Services Provided to Patients Enrolled in Medicaid MCOs**

The Trauma Fund is responsible for reimbursing for the difference between the Medicare rate and the Medicaid rate for Medicaid trauma care beneficiaries. 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. 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 those additional payments for 2019 had climbed to \$2.5 million. The additional payments are not mandated under Maryland law, but the MHCC has discretion to adjust payments when appropriate. MHCC did not conduct additional reconciliation of MCO payments in FY 2020 or FY 2021 because the Trauma Fund lacked a sufficient Trauma Fund balance to cover additional Medicaid MCO payments and while maintaining the recommended Fund reserve.

The MHCC plans to reconcile MCO payments made in FY 2023. For dates of service beginning July 1, 2022, the Maryland Medical Assistance reimbursement rates for covered Evaluation and Management (E&M) codes will increase to 100% of Medicare rates. This increase will impact emergency department and hospital inpatient E&M payments. A substantial portion of physician trauma reimbursement is for E&M services related to assessing patients that meet the MIEMSS trauma protocols.

**Table 5 – FY 2022  
Trauma Fund Payments to Medicaid for Disbursement to Trauma Physicians and Hospitals**

<b>Month</b>	<b>Amount Paid</b>
July 2021	\$23,874
August 2021	\$25,755
September 2021	\$23,814
October 2021	\$23,576
November 2021	\$29,264
December 2021	\$21,357
January 2022	\$19,761
February 2022	\$19,898
March 2022	\$20,907
April 2022	\$21,661
May 2022	\$24,813
June 2022	\$25,744
Medicaid/Medicare Differential Adjustment	\$0
<b>TOTAL</b>	<b>\$280,424</b>

## HSCRC Standby Expense Allocation

The HSCRC used the Reasonable Compensation Equivalent (RCE) developed by Medicare to set reasonable allowable standby cost ceilings.<sup>2</sup> 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.

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 2022**

Trauma Center	Maryland Trauma Standby Costs		
	Inpatient	Outpatient	Total
Johns Hopkins Hospital	\$1,266,677	\$197,770	\$1,464,447
UM Capital Region Medical Center (formerly PGHC)	\$2,400,648	\$70,730	\$2,471,377
Sinai Hospital	\$ 973,025	\$833,779	\$1,806,804
Suburban Hospital	\$639,932	\$274,438	\$914,370
TidalHealth Peninsula Regional (formerly PRMC)	-	-	-
Meritus Medical Center	\$792,646	\$400,677	\$1,193,323
Western Maryland Regional Medical Center	\$485,745	\$100,366	\$586,111
<b>TOTAL</b>	<b>\$6,558,673</b>	<b>\$1,877,760</b>	<b>\$8,436,433</b>

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 2006-2021. The update factor for FY 2022 was 2.57%. University of Maryland Medical Systems PARC's standby costs were not available for FY 2022. Totals may not sum due to rounding.

<sup>2</sup> The RCE limits are updated annually by the Centers for Medicare & Medicaid Services based on 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.

### **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.

### **Trauma Equipment Grant Program**

The Fiscal Year 2022-2023 Trauma Equipment Grant totaled \$194,080 and disbursed \$28,572 to the Level II and Level III trauma centers. The 2022-2023 cycle is now complete and reconciled. All eligible centers submitted the required documentation for grant purchases or have issued a refund for any unused grant funds. The statute permits expending 10% of the Trauma Fund balance for trauma equipment grants. Funding for the biennial trauma Equipment grants were requested in the Fiscal Year 2024 Budget for the 2024-2025 Grant Cycle. The MHCC will look to disburse trauma grants during FY 2024 for approximately \$670,000 representing 10% of the Trauma Fund balance at the close of FY 2022.

### **Administrative Expenses**

The Commission continued to contract with Trustmark, Inc, 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 in 2021 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.

### **Revenue and Reimbursement Outlook**

Table 7, Actual and Projected Trauma Fund Spending for FYs 2020 -2023 presents estimated revenue (collections from the \$5 motor vehicle surcharge) and projected disbursements for FY 2023. The MHCC estimates that revenue from the MVA will be slightly less over the next year. The COVID-19 pandemic had a direct impact on collections due to extensions given for registration renewals for Maryland residents. However, Governor Hogan lifted the State of Emergency in July 2021 and all delayed vehicle registration renewals would have been completed by August 2021.

Growing reimbursement for on-call services continues as the single most important driver of higher payments in the program. Most Maryland trauma centers are collecting the full amount of on-call payment for which they are eligible. On-call payments will continue to increase due to annual update factors derived from increases in the Medicare Fee Schedule, the schedule used to reimburse physicians for delivering care to Medicare beneficiaries.

## **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 efficiency and payment equity. The MHCC adjusted in Trauma Fund expenditures in consultation with HSCRC, under Health General §19-130(d)(4)(iv). 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 2023.

## **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. During times of stress on the system, MHCC and trauma providers worked together to adjust reimbursements to account for greater demands on the Fund and to preserve its solvency and preserving the \$5 fee charge on automobile registrations and registrations renewals.

The increase in on-call payments has become more significant. On-call payments increased from \$5.6 in 2010 to 9.2 million in 2022. On-call payments account for more than 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 2022 with a 6.7 million reserve, based on the \$4 million added to the fund by the 2022 legislature. The MHCC will defer the payment of any further Medicaid supplemental payments until the FY 2023 and FY 2024 revenue pictures are clearer.

In the past 16 years, eligibility to the Fund has been expanded several times, but the \$5 fee has never been adjusted. In 2023, MHCC and trauma providers may recommend adjustments to the

Fund from \$5 to \$6. Although this represents a 20% increase in the fee, the fee has never been increased since the Trauma Fund was established in 2002. An adjustment to the Medicaid compensation levels or an increase in trauma equipment grants cannot be contemplated without an increase in the registration and registration renewal assessments.

Over the next year, MHCC will continue to work with the Trauma Network and policymakers to examine these potential funding challenges in an open and collaborative manner. MHCC welcomes an assessment of the Trauma Fund that examines modifying reimbursement levels, achieving operational efficiencies in the administration, unmet trauma priorities, and possible revenue enhancements.

**Table 7 – Actual and Projected Trauma Fund Spending, FYs 2020-2023**

<b>Category</b>	<b>Actual FY 2021</b>	<b>Actual FY 2022</b>	<b>Projected FY 2023</b>
Carryover Balance from Previous Fiscal Year	\$2,085,101	\$2,171,071	\$6,700,833
Collections from the \$5 surcharge on automobile renewals	\$12,562,282	\$12,227,047	\$12,000,000
Addition from the 2022 Budget and Reconciliation Financing Act Legislation	\$0	\$4,000,000	\$0
<b>TOTAL BALANCE &amp; COLLECTIONS</b>	<b>\$14,647,383</b>	<b>\$18,398,118</b>	<b>\$18,600,833</b>
<b>Total Funds Appropriated</b>	<b>\$12,000,000</b>	<b>\$12,300,000</b>	<b>\$12,000,000</b>
<b>Credits</b>	<b>\$52,527</b>	<b>\$70,872</b>	<b>\$61,700</b>
Uncompensated Care Payments	(\$2,162,934)	(\$1,818,042)	(\$1,600,000)
On- Call Expenses	(\$8,392,623)	(\$8,796,840)	(\$9,200,000)
Stand-By Costs for Shock Trauma PARC	(\$1,026,976)	(\$0)	(\$0)
Medicaid	(\$275,160)	(\$280,424)	(285,000)
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)	(\$81,146)	(\$88,771)	(90,000)
Trauma Equipment Grants (funding drawn from Fund Balance)	(\$0)	(\$194,080)	(\$0)
Transfers to the General Fund	(\$0)	(0)	(\$0)
<b>PROJECTED FISCAL YEAR-END BALANCE</b>	<b>\$2,171,071</b>	<b>\$6,700,833</b>	<b>\$6,997,533</b>



**Table 8 – Options for Modifying Trauma Fund Revenues Expenditures  
Statutory Change Required**

Options	Discussion
<p>1. Increase Registration and registration renewals from \$5 to \$6. This increase would raise revenue from approximately \$12 million to \$14.2 million dollars.</p> <p>Increasing the fee would require a change in the statute.</p>	<p>The assessment fee has not been increased since the law was passed in 2002. Uncompensated care, Medicaid underpayment, and on-call are adjusted by the Medicare Economic Index. As the MVA assessments have never been raised, revenues only increase modestly as the number of automobiles in Maryland increases and, in some years, there is no increase at all in revenue as the number of automobiles has not increased.</p>
<p>2. Ensure Appropriate and Equitable Trauma Payments Based on Recognized Needs</p> <p>a. Increase the level of trauma equipment funding to \$1 million per year, which would still limit funding to less than \$140,000 per trauma center for the seven that are eligible.</p> <p>b. Authorize uncompensated care and Medicaid supplemental payments for non-physician practitioners that provide trauma care</p> <p>c. Direct MHCC to conduct an annual review of Medicaid MCO payments to confirm MCOs are reimbursing physicians and non-physician practitioners at the mandated level.</p> <p>d. Set the statutory floor on practitioner fee levels for uncompensated and Medicaid supplemental payment at 105 percent of Medicare fees.</p> <p>These changes require a change in the statute.</p>	<p>a. Trauma equipment grants are needed to replace equipment dedicated to trauma care. MHCC is permitted to issue grants every other year, but the total funded can be no more than 10% of the balance in the Trauma Fund.</p> <p>b. non-physicians often work alongside trauma physicians in the trauma center. These practitioners should qualify for uncompensated care and Medicaid supplemental payments like physicians do.</p> <p>c. Medicaid MCOs have struggled to correctly implement Medicaid supplemental payments. In 2017 and 2018, MHCC identified and subsequently paid additional payments. This review should be conducted on an annual basis.</p> <p>d. The statutory floor on compensated care and Medicaid supplemental payments does not reflect the additional complexity of treating complex trauma patients. The Medicare fee schedule was developed on the assumption that a health care practitioner would encounter more complex and less complex cases over the day. Trauma physicians only encounter patients with multiple injuries making retreatment more complex.</p>
<p>3. Reimburse on-call at 105% of authorized levels net of obligations for uncompensated care payments and Medicaid supplemental payments.</p> <p>This change requires a change in the statute.</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. However direct payments should offset on-call payment when practitioners are also reimbursed from the fund. Netting uncompensated care and Medicaid payments from on-call payments more accurately reflects the interplay between on-call and fees paid directly to trauma physicians.</p>

**Appendix Table 1**

**Maryland Motor Vehicle Registration Fee  
Collections per Month, FY 2022**

<b>Month</b>	<b>Revenue</b>
July 2021	\$1,176,811
August 2021	\$1,230,881
September 2021	\$1,112,330
October 2021	\$1,006,372
November 2021	\$967,450
December 2021	\$908,008
January 2022	\$916,145
February 2022	\$884,397
March 2022	\$1,137,459
April 2022	\$916,559
May 2022	\$950,199
June 2022	\$1,020,436
<b>TOTAL REVENUE - FY 2021</b>	<b>\$12,227,047</b>

**Appendix Table 2  
Uncompensated Care Payments Made, FY 2022**

<b>Physician Name</b>	<b>Percent</b>
Aminullah Amini	0.50
Bethesda Chevy Chase Orthopedic Assoc., LLP	0.27
Bijan Bahmanyar	0.11
Centers for Advanced Orthopaedics	0.69
Community Surg Practice LLC	0.26
Delmarva Radiology, PA	0.52
Dr. Ali Pasapour	0.89
Emergency Services Associates	0.62
JHU, Anesthesiology	0.03
JHU, Clinical Practice Association	10.02
Jeffrey Muench	0.17
Johns Hopkins Community Physicians	0.42
MMG Anesthesiology, LLC	0.10
Malini Narayanan MD	0.24
Medical Practices of Antietam, LLC	0.13
Meritus Physicians – Trauma	1.33
Mohammad Khan	10.05
North American Partners-Maryland	1.21
Shock Trauma Associates, P.A.	35.28
Sinai Surgical Associates	0.45
Trauma Surgery Associates	1.17
Trauma Surgical Associates	.21
Univ of MD Diagnostic Imaging Specialists, P.A.	15.98
Univ of MD Oral Maxial Surgical Associates	0.01
Univ of MD Ortho Trauma Associates	18.69
Univ of MD Physicians, P.A.	0.02
WMHS Specialty Services	0.25
Washington Oral Surgery Center, LLC	0.36
<b>All</b>	100.00