

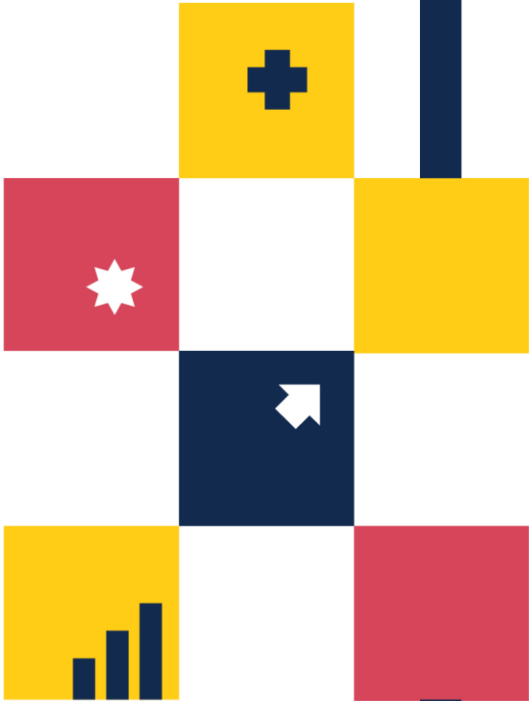
# MARYLAND TRAUMA PHYSICIAN SERVICES FUND

## Health General Article § 19-130

*Operations from July 1, 2022, through June 30, 2023*

Report to the MARYLAND GENERAL ASSEMBLY

December 2023



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*This annual report on the Maryland Trauma Physicians Services Fund for Fiscal Year 2023 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 \$11,567,366 in FY 2023. The fund reserve at the end of FY 2023 based on payments to eligible providers and administrative costs was \$7,483,014. The Fund received a fund transfer of \$4 million in FY 2022 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 the 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 reduced financial pressure on the Fund for reimbursement of uncompensated care resumed in FY 2022 with 19 % less reimbursements than FY 2021 and continued in FY 2023 with about 18 % less reimbursements in FY 2023 and 17% decrease in Medicaid payments.

Vehicle registration renewals fees totaled \$12,349,547 in FY 2023, a 1.0 % increase from the previous fiscal year but a 7.5% increase over FY 2020 which was impacted by Governor Hogan’s State of Emergency, allowing residents to delay renewing their vehicle registration if they choose to because of the 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 2023. 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 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 fiscal year 2022 year-end balance of \$6,700,833. The Fund's 2023 fiscal year-end balance was \$7,483,014.

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 costs into their HSCRC hospital rates using the same methodology that is applied to other trauma centers beginning January 1, 2021. A breakdown of HSCRC recognized standby costs for FY 2023 are detailed in Table 6.

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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.

### Status of the Fund at the End of FY 2023

In FY 2023, the MVA revenues collections increased 1 % 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 a more normal pace in FY 2022 which continued in FY 2023. Collections by the MVA, via the \$5 surcharge, totaled \$12,349,547 compared to \$12,227,047 in FY 2022 and \$12,562,282 in FY 2021. The Trauma Fund disbursed about \$11.5 million to trauma centers and trauma physician practices. Table 1, below, sets forth obligations incurred after the FY 2023-year end. Table 2, below, summarizes the revenue, disbursements, and the Fund balances at the end of FYs 2021, 2022, and 2023.

### Outstanding Obligations for FY 2023

The Fund incurred but did not reimburse \$5.2 million in obligations, which are not reflected in the FY 2023-year end balances. These obligations result from on-call and standby stipends paid by trauma hospitals from January 2023 through June 2023 but reported to MHCC after the end of the fiscal year. As in past years, these obligations are paid by the Fund in the subsequent fiscal year.

**Table 1 – FY 2023 Obligations Incurred after Year End**

<b>Category</b>	<b>FY 2023</b>
On-call stipends	<b>\$4,653,208</b>
Children National Medical Center Standby	<b>\$590,000</b>
<b>TOTAL INCURRED BUT NOT PAID IN FY 2023</b>	<b>\$5,243,208</b>

Table 2 presents the trend in Trauma Fund collections and disbursements from FY 2021 through 2023. Uncompensated care payments made to physicians that delivered care to uninsured trauma patients accounted for approximately 12.8 % of total payments in FY 2023 compared to 15.8 % 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 \$466,248 from FY 2022 to FY 2023 and account for 80% of total spending in FY 2023 compared to 76% in FY 2022 and 67% in FY 2021. On-Call payments 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 2021-2023**

Category	Cash Flow		
	FY2021	FY2022	FY2023
Fund Balance at Start of Fiscal Year	\$2,085,101	\$2,171,071	\$6,700,833
Collections from the \$5 Registration Fee	\$12,562,282	\$12,227,047	\$12,349,547
Credit Recoveries	\$52,527	\$70,872	\$85,893
Addition from the 2022 Budget and Reconciliation Financing Act Legislation	(\$0)	<b>\$4,000,000</b>	(\$0)
<b>TOTAL (Balance, Collections, and Recoveries)</b>	<b>\$14,699,910</b>	<b>\$18,468,990</b>	<b>\$19,136,273</b>
Uncompensated Care Payments	(\$2,162,934)	(\$1,818,042)	(\$1,485,205)
On-Call Expenses	(\$8,392,623)	(\$8,796,840)	(\$9,263,088)
Medicaid Payments	(\$275,160)	(\$280,424)	(238,423)
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)	(\$0)	(\$194,080)	(\$0)
Reimbursement to PARC - Senate Bill 901 (Maryland Trauma Fund – State Primary Adult Resource Center - Reimbursement of On-Call and Standby	(\$1,026,976)	(\$0)	(\$0)
Administrative Expenses	(\$81,146)	(\$88,771)	\$76,543)
<b>TOTAL (Payments, Grants and Expenses)</b>	<b>(\$12,528,839)</b>	<b>(\$11,768,157)</b>	<b>(\$11,653,259)</b>
<b>TRAUMA FUND BALANCE</b>	<b>\$2,171,071</b>	<b>\$6,700,833</b>	<b>\$7,483,014</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 2021 through 2023. 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 2021-2023**

Facility	% Of Uncompensated Care Payments		
	FY 2021	FY 2022	FY 2023
UMD Shock Trauma Center & UMD practices	44.38	64.02	73.36
Johns Hopkins Hospital Adult Level One	1.72	3.81	3.96
UM Capital Region Medical Center (formerly PGHC)	34.32	18.07	12.39
Johns Hopkins Bayview Medical Center	3.68	5.06	2.37
Suburban Hospital	7.07	3.26	4.07
TidalHealth Peninsula Regional (formerly PRMC)	0.18	1.65	2.71
Sinai Hospital of Baltimore	5.65	1.60	0.36
Johns Hopkins Regional Burn Center	0.21	0.00	0.00
Meritus Medical Center	0.26	0.00	0.00
Western Maryland Regional Medical Center	0.00	0.00	0.00
Johns Hopkins Wilmer Eye Center	0.05	0.25	0.18
Johns Hopkins Hospital Pediatric Center	0.04	0.03	0.01
MedStar Union Memorial	2.44	0.08	0.00
Johns Hopkins University, Clinical Practice Association	0.00	0.02	0.06

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 2021-2023**

Trauma Center	On-Call Payments		
	FY 2021	FY 2022	FY 2023
Johns Hopkins Bayview Medical Center	\$1,003,822	\$994,319	\$190,880
Johns Hopkins Adult Level One	\$182,558	\$186,764	\$1,067,710
UM Capital Region Medical Center (formerly PGHC)	\$1,021,160	\$1,044,680	\$95,440
Sinai Hospital of Baltimore	\$788,420	\$799,950	\$121,652
Suburban Hospital	\$807,802	\$936,781	\$95,440
TidalHealth Peninsula Regional (formerly PRMC)	\$1,459,877	\$1,476,636	\$95,540
Meritus Medical Center	\$1,436,683	\$1,635,888	\$1,740,874
Western Maryland Regional Medical Center	\$1,281,240	1,312,410	\$1,506,253
Johns Hopkins Adult Burn Center	\$91,280	\$93,382	\$1,067,710
Johns Hopkins Wilmer Eye Center	\$91,280	\$93,382	\$793,150
Johns Hopkins Pediatric Trauma	\$137,221	\$129,266	\$074,243
Union Memorial, Curtis National Hand Center	\$91,280	\$93,382	\$1,414,225
<b>TOTAL</b>	<b>\$8,392,623</b>	<b>\$8,796,840</b>	<b>\$9,263,118</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 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 surgical procedure. 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 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 2023  
Trauma Fund Payments to Medicaid for Disbursement to Trauma Physicians and Hospitals**

<b>Month</b>	<b>Amount Paid</b>
July 2022	\$25,291
August 2022	\$27,833
September 2022	\$32,684
October 2022	\$20,172
November 2022	\$13,939
December 2022	\$12,600
January 2023	\$12,883
February 2023	\$17,254
March 2023	\$15,253
April 2023	\$18,610
May 2023	\$19,511
June 2023	\$25,793
Medicaid/Medicare Differential Adjustment	\$0
<b>TOTAL</b>	<b>\$238,423</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 2023**

Trauma Center	Maryland Trauma Standby Costs		
	Inpatient	Outpatient	Total
Johns Hopkins Hospital	\$1,318,104	\$205,799	\$1,523,903
UM Capital Region Medical Center (formerly PGHC)	\$2,498,114	\$73,601	\$2,571,715
Sinai Hospital	\$ 1,012,530	\$867,631	\$1,880,160
Suburban Hospital	\$655,913	\$285,581	\$951,493
TidalHealth Peninsula Regional (formerly PRMC)	-	-	-
Meritus Medical Center	\$824,828	\$416,944	\$1,241,772
Western Maryland Regional Medical Center	\$505,466	\$104,441	\$609,908
Shock Trauma	\$2,490,877	\$246,351	\$2,737,228
<b>TOTAL</b>	<b>\$9,315,833</b>	<b>\$2,200,348</b>	<b>\$11,516,180</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 2023 was 4.06%. 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 in 2008 because of legislative changes.

## **Trauma Equipment Grant Program**

The Fiscal Year (FY) 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 the expenditure of 10% of the Trauma Fund balance for trauma equipment grants. Funding for the biennial trauma equipment grant was requested in the FY 2024 Budget for the 2024-2025 Grant Cycle. The MHCC will look to disburse trauma grants during FY 2024 for approximately \$600,000 representing approximately 10% of the Trauma Fund balance at the close of FY 2023.

## **Administrative Expenses**

The Commission continued to contract with Trustmark, Inc. (formerly CoreSource), to provide claim adjudication services. The Commission modified the existing contract for an additional year in 2023 with a no-cost extension, as funding in the original contract is not exhausted.

## **Revenue and Reimbursement Outlook**

Table 7, Actual and Projected Trauma Fund Spending for FYs 2021-2023 presents estimated revenue (collections from the \$5 motor vehicle surcharge) and projected disbursements for FY 2024. The MHCC estimates that revenue from the MVA will continue to increase 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**

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

funding stream from the MVA registration fees for the trauma fund appears stable, there is pressure on the fund related to increasing on-call costs.

### **Current Adjustments to Trauma Fund Spending and Options for Additional Modifications**

The Commission identified options that resulted in greater reimbursement for trauma physicians while providing overall system efficiency and payment equity. The MHCC recommended keeping the reimbursement rate at 105% through FY 2023. The MHCC adjusted Trauma Fund expenditures in consultation with HSCRC, under Health General §19-130(d)(4)(iv). MHCC determined that increasing the payment rate above 100% to 105% of the Medicare payment for the service would address the reduction in payments from the fund during the fiscal years 2010-2015 to the State trauma system.

### **Developing Challenges**

When the Fund was established in 2003, the Maryland General Assembly identified funding to supplement the costs of uncompensated care, Medicaid supplemental payment, physician on-call, and physician standby. Providing stable funding for these needs was deemed essential for helping to sustain 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 million in 2010 to 9.2 million in 2023. On-call payments account for 80% 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 2023 with a 7.3 million reserve, based on the \$4 million added to the fund during the 2022 legislative session. The MHCC will defer the payment of any further Medicaid supplemental payments until FY 2023 and FY 2024 revenue pictures are clearer. Because of the increased pressure on the fund Senate Bill 493/House Bill 675 passed in the 2023 legislative session established the Commission to Study Trauma Center Funding. The Commission to Study Trauma Center Funding in Maryland is charged to study and make recommendations on the adequacy of trauma center funding across the State for operating, capital, and workforce costs. MIEMSS and the Maryland Health Care Commission (MHCC) jointly staff the commission and must report its findings and recommendations to the Governor and General Assembly by December 1, 2023.

Additionally, the legislature provided a one-time amount of \$9.5 million added to budget to the dedicated purpose account within the State Reserve Fund to aid trauma facilities including R. Cowley experiencing financial challenges. The MHCC must establish criteria for allocating the funds among the trauma centers experiencing financial stress. This allocation of funds can be in 2024 or over multiple periods. The MHCC must submit a report on the criteria for allocating the funds to the budget committees due 45 days prior to any fund transfer.

**MHCC will work through the Commission to Study Trauma Center Funding and with the Trauma Network and policymakers to examine the challenges to the Fund and make recommendations to resolve those challenges.**

**Table 7 – Actual and Projected Trauma Fund Spending, FYs 2022-2024**

<b>Category</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Projected FY 2024</b>
Carryover Balance from Previous Fiscal Year	\$2,171,071	\$6,700,833	<b>\$7,317,221</b>
Collections from the \$5 surcharge on automobile renewals	\$12,227,047	\$12,349,547	\$12,600,000
Addition from the 2022 Budget and Reconciliation Financing Act Legislation	\$4,000,000	\$0	\$0
<b>TOTAL BALANCE &amp; COLLECTIONS</b>	<b>\$18,398,118</b>	<b>\$19,050,380</b>	<b>\$19,317,221</b>
<b>Total Funds Appropriated</b>	\$12,300,000	\$12,000,000	\$12,600,000
<b>Credits</b>	\$70,872	\$85,893	\$70,000
Uncompensated Care Payments	(\$1,818,042)	(\$1,485,205)	(\$1,190,000)
On- Call Expenses	(\$8,796,840)	(\$9,263,088)	(\$9,700,000)
Stand-By Costs for Shock Trauma PARC	(\$1,026,976)	(\$0)	(\$0)
Medicaid	(\$280,424)	(\$238,423)	(265,000)
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)	(\$88,771)	(\$76,543)	(82,150)
Trauma Equipment Grants (funding drawn from Fund Balance)	(\$194,080)	(\$0)	(\$670,000)
Transfers to the General Fund	(\$0)	(\$0)	(\$0)
<b>PROJECTED FISCAL YEAR-END BALANCE</b>	<b>\$6,700,833</b>	<b>\$7,317,221</b>	<b>\$6,886,061</b>

**Appendix Table 1**

**Maryland Motor Vehicle Registration Fee  
Collections per Month, FY 2023**

<b>Month</b>	<b>Revenue</b>
July 2022	\$958,844
August 2022	\$1,134,138
September 2022	\$1,072,941
October 2022	\$1,012,269
November 2022	\$892,834
December 2022	\$717,662
January 2023	\$1,179,124
February 2023	\$913,231
March 2023	\$1,102,326
April 2023	\$1,106,535
May 2023	\$1,129,820
June 2023	\$1,129,820
<b>TOTAL REVENUE – FY 2023</b>	<b>\$12,349,547</b>

**Appendix Table 2**

**Uncompensated Care Payments Made, FY 2023**

<b>Physician Name</b>	<b>Percent</b>
Bethesda Chevy Chase Orthopedic Assoc., LLP	<b>.09</b>
Community Surg Practice LLC	<b>.39</b>
Emergency Services Associates	<b>2.68</b>
JHU, Clinical Practice Association	<b>8.40</b>
Jeffrey Muench	<b>1.24</b>
Johns Hopkins Community Physicians	<b>.75</b>
Medical Practices of Antietam, LLC	<b>.17</b>
Medstar Med Grp Radiology LLC	<b>.00</b>
Meritus Physicians – Trauma	<b>.35</b>
Mohammad Khan	<b>6.86</b>
North American Partners-Maryland	<b>.33</b>
Shock Trauma Associates, P.A.	<b>40.83</b>
Univ of MD Diagnostic Imaging Specialists, P.A.	<b>14.99</b>
Univ of MD Ortho Trauma Associates	<b>22.74</b>
Univ of MD Physicians, P.A.	<b>.01</b>
WMHS Specialty Services	<b>.18</b>
<b>All</b>	<b>100.00</b>