

# SENATE BILL 464

J3

9lr2351  
CF HB 521

---

By: **Senators Edwards, Colburn, Mooney, Munson, and Stoltzfus**

Introduced and read first time: February 4, 2009

Assigned to: Finance

---

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 27, 2009

---

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Trauma Physician Services Fund – Rural Trauma Centers –**  
3 **Reimbursement**

4 FOR the purpose of ~~altering the definition of trauma center to include Peninsula~~  
5 ~~Regional Medical Center, the Western Maryland Health System, and~~  
6 ~~Washington County Hospital~~ altering the maximum number of trauma on-call  
7 hours per year that a Level III trauma center is eligible for reimbursement for  
8 from the Maryland Trauma Physician Services Fund; providing that the cost  
9 incurred by a Level III trauma center to maintain trauma physicians on call  
10 shall include certain practice areas under certain circumstances; requiring the  
11 Maryland Health Care Commission to make a certain determination on or  
12 before a certain date each year; prohibiting the Commission from making  
13 certain reimbursements under certain circumstances; providing for the  
14 termination of this Act; and generally relating to the Maryland Trauma  
15 Physician Services Fund.

16 BY repealing and reenacting, ~~with~~ without amendments,  
17 Article – Health – General  
18 Section 19-130(a), (b), and (d)(1), (2), and (3)  
19 Annotated Code of Maryland  
20 (2005 Replacement Volume and 2008 Supplement)

21 BY repealing and reenacting, ~~without~~ with amendments,  
22 Article – Health – General  
23 Section ~~19-130(b)~~ 19-130(d)(4)  
24 Annotated Code of Maryland

---

**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2005 Replacement Volume and 2008 Supplement)

2 BY adding to

3 Article – Health – General

4 Section 19–130(d)(7)

5 Annotated Code of Maryland

6 (2005 Replacement Volume and 2008 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article – Health – General**

10 19–130.

11 (a) (1) In this section the following words have the meanings indicated.

12 (2) “Fund” means the Maryland Trauma Physician Services Fund.

13 (3) “Maryland Trauma Specialty Referral Centers” means:

14 (i) The Johns Hopkins Health System Burn Program;

15 (ii) The Eye Trauma Center at the Wilmer Eye Institute at The  
16 Johns Hopkins Hospital; and

17 (iii) The Curtis National Hand Center at Union Memorial  
18 Hospital.

19 (4) “Rehabilitation hospital” means a facility classified as a special  
20 rehabilitation hospital as described in § 19–307 of this title that is affiliated with a  
21 trauma center by common ownership.

22 (5) (i) “Trauma center” means a facility designated by the  
23 Maryland Institute for Emergency Medical Services Systems as:

24 1. The State primary adult resource center;

25 2. A Level I trauma center;

26 3. A Level II trauma center;

27 4. A Level III trauma center;

28 5. A pediatric trauma center; or

29 6. The Maryland Trauma Specialty Referral Centers.

1 (ii) "Trauma center" includes ~~an~~

2 ~~1. AN~~ out-of-state pediatric trauma center that has  
3 entered into an agreement with the Maryland Institute for Emergency Medical  
4 Services Systems;

5 ~~2. PENINSULA REGIONAL MEDICAL CENTER;~~

6 ~~3. THE WESTERN MARYLAND HEALTH SYSTEM; AND~~

7 ~~4. WASHINGTON COUNTY HOSPITAL.~~

8 (6) "Trauma physician" means a physician who provides care in a  
9 trauma center or in a rehabilitation hospital to trauma patients on the State trauma  
10 registry as defined by the Maryland Institute for Emergency Medical Services  
11 Systems.

12 (7) "Uncompensated care" means care provided by a trauma physician  
13 to a trauma patient on the State trauma registry who:

14 (i) Has no health insurance, including Medicare Part B  
15 coverage;

16 (ii) Is not eligible for medical assistance coverage; and

17 (iii) Has not paid the trauma physician for care provided by the  
18 trauma physician, after documented attempts by the trauma physician to collect  
19 payment.

20 (b) (1) There is a Maryland Trauma Physician Services Fund.

21 (2) The purpose of the Fund is to subsidize the documented costs:

22 (i) Of uncompensated care incurred by a trauma physician in  
23 providing trauma care to a trauma patient on the State trauma registry;

24 (ii) Of undercompensated care incurred by a trauma physician  
25 in providing trauma care to an enrollee of the Maryland Medical Assistance Program  
26 who is a trauma patient on the State trauma registry;

27 (iii) Incurred by a trauma center to maintain trauma physicians  
28 on-call as required by the Maryland Institute for Emergency Medical Services  
29 Systems; and

30 (iv) Incurred by the Commission and the Health Services Cost  
31 Review Commission to administer the Fund and audit reimbursement requests to  
32 assure appropriate payments are made from the Fund.

1           (3)    The Commission and the Health Services Cost Review Commission  
2 shall administer the Fund.

3           (4)    The Fund is a special, nonlapsing fund that is not subject to §  
4 7–302 of the State Finance and Procurement Article.

5           (5)    Interest on and other income from the Fund shall be separately  
6 accounted for and credited to the Fund, and are not subject to § 6–226(a) of the State  
7 Finance and Procurement Article.

8           (d)    (1)    Disbursements from the Fund shall be made in accordance with a  
9 methodology established jointly by the Commission and the Health Services Cost  
10 Review Commission to calculate costs incurred by trauma physicians and trauma  
11 centers that are eligible to receive reimbursement under subsection (b) of this section.

12           (2)    The Fund shall transfer to the Department of Health and Mental  
13 Hygiene an amount sufficient to fully cover the State’s share of expenditures for the  
14 costs of undercompensated care incurred by a trauma physician in providing trauma  
15 care to an enrollee of the Maryland Medical Assistance Program who is a trauma  
16 patient on the State trauma registry.

17           (3)    The methodology developed under paragraph (1) of this subsection  
18 shall:

19                   (i)    Take into account:

20                           1.    The amount of uncompensated care provided by  
21 trauma physicians;

22                           2.    The amount of undercompensated care attributable to  
23 the treatment of Medicaid enrollees in trauma centers;

24                           3.    The cost of maintaining trauma physicians on–call;

25                           4.    The number of patients served by trauma physicians  
26 in trauma centers;

27                           5.    The number of Maryland residents served by trauma  
28 physicians in trauma centers; and

29                           6.    The extent to which trauma–related costs are  
30 otherwise subsidized by hospitals, the federal government, and other sources; and

31                           (ii) Include an incentive to encourage hospitals to continue to  
32 subsidize trauma–related costs not otherwise included in hospital rates.

1           (4) The methodology developed under paragraph (1) of this subsection  
2 shall use the following parameters to determine the amount of reimbursement made  
3 to trauma physicians and trauma centers from the Fund:

4           (i) 1. The cost incurred by a Level II trauma center to  
5 maintain trauma surgeons, orthopedic surgeons, and neurosurgeons on-call shall be  
6 reimbursed:

7           A. At a rate of up to 30% of the reasonable cost  
8 equivalents hourly rate for the specialty, inflated to the current year by the physician  
9 compensation component of the Medicare economic index as designated by the Centers  
10 for Medicare and Medicaid Services; and

11           B. For the minimum number of trauma physicians  
12 required to be on-call, as specified by the Maryland Institute for Emergency Medical  
13 Services Systems in its criteria for Level II trauma centers;

14           2. The cost incurred by a Level III trauma center to  
15 maintain trauma surgeons, orthopedic surgeons, neurosurgeons, and anesthesiologists  
16 on-call shall be reimbursed:

17           A. At a rate of up to 35% of the reasonable cost  
18 equivalents hourly rate for the specialty, inflated to the current year by the physician  
19 compensation component of the Medicare economic index as designated by the Centers  
20 for Medicare and Medicaid Services; and

21           B. For the minimum number of trauma physicians  
22 required to be on-call, as specified by the Maryland Institute for Emergency Medical  
23 Services Systems in its criteria for Level III trauma centers;

24           3. The cost incurred by a Level I trauma center or  
25 pediatric trauma center to maintain trauma surgeons, orthopedic surgeons, and  
26 neurosurgeons on-call when a post-graduate resident is attending in the trauma  
27 center shall be reimbursed:

28           A. At a rate of up to 30% of the reasonable cost  
29 equivalents hourly rate for the specialty, inflated to the current year by the physician  
30 compensation component of the Medicare economic index as designated by the Centers  
31 for Medicare and Medicaid Services; and

32           B. When a post-graduate resident is permitted to be in  
33 the trauma center, as specified by the Maryland Institute for Emergency Medical  
34 Services Systems in its criteria for Level I trauma centers or pediatric trauma centers;

35           4. The cost incurred by a Maryland Trauma Specialty  
36 Referral Center to maintain trauma surgeons on-call in the specialty of the Center  
37 when a post-graduate resident is attending in the Center shall be reimbursed:

1           A. At a rate of up to 30% of the reasonable cost  
2 equivalents hourly rate for the specialty, inflated to the current year by the physician  
3 compensation component of the Medicare economic index as designated by the Centers  
4 for Medicare and Medicaid Services; and

5           B. When a post-graduate resident is permitted to be in  
6 the Center, as specified by the Maryland Institute for Emergency Medical Services  
7 Systems in its criteria for a Maryland Trauma Specialty Referral Center; [and]

8           5. A. A Level II trauma center is eligible for a  
9 maximum of 24,500 hours of trauma on-call per year;

10           B. A Level III trauma center is eligible for a maximum of  
11 [35,040]70,080 hours of trauma on-call per year;

12           C. A Level I trauma center shall be eligible for a  
13 maximum of 4,380 hours of trauma on-call per year;

14           D. A pediatric trauma center shall be eligible for a  
15 maximum of 4,380 hours of trauma on-call per year; and

16           E. A Maryland Trauma Specialty Referral Center shall  
17 be eligible for a maximum of 2,190 hours of trauma on-call per year; AND

18           **6. SUBJECT TO PARAGRAPH (7) OF THIS**  
19 **SUBSECTION, THE COST INCURRED BY A LEVEL III TRAUMA CENTER TO**  
20 **MAINTAIN TRAUMA PHYSICIANS ON-CALL IN THE FOLLOWING PRACTICE AREAS**  
21 **SHALL BE REIMBURSED IN ACCORDANCE WITH ITEM (I)2 OF THIS PARAGRAPH:**

22           **A. PLASTIC SURGERY;**

23           **B. MAJOR VASCULAR SURGERY;**

24           **C. ORAL OR MAXILLOFACIAL SURGERY; AND**

25           **D. THORACIC.**

26           (ii) The cost of undercompensated care incurred by a trauma  
27 physician in providing trauma care to enrollees of the Maryland Medical Assistance  
28 Program who are trauma patients on the State trauma registry shall be reimbursed at  
29 a rate of up to 100% of the Medicare payment for the service, minus any amount paid  
30 by the Maryland Medical Assistance Program;

31           (iii) The cost of uncompensated care incurred by a trauma  
32 physician in providing trauma care to trauma patients on the State trauma registry  
33 shall be reimbursed at a rate of 100% of the Medicare payment for the service, minus  
34 any recoveries made by the trauma physician for the care;

1                   (iv) The Commission, in consultation with the Health Services  
2 Cost Review Commission, may establish a payment rate for uncompensated care  
3 incurred by a trauma physician in providing trauma care to trauma patients on the  
4 State trauma registry that is above 100% of the Medicare payment for the service if:

5                   1. The Commission determines that increasing the  
6 payment rate above 100% of the Medicare payment for the service will address an  
7 unmet need in the State trauma system; and

8                   2. The Commission reports on its intention to increase  
9 the payment rate to the Senate Finance Committee and the House Health and  
10 Government Operations Committee, in accordance with § 2-1246 of the State  
11 Government Article, at least 60 days before any adjustment to the rate; and

12                   (v) The total reimbursement to emergency physicians from the  
13 Fund may not exceed \$300,000 annually.

14                   **(7) (I) ON OR BEFORE MAY 1 OF EACH YEAR, THE**  
15 **COMMISSION SHALL DETERMINE APPROPRIATE LEVELS OF PAYMENT THAT CAN**  
16 **BE SUSTAINED FOR THE UPCOMING FISCAL YEAR, GIVEN THE EXPECTED**  
17 **REVENUE IN THE FUND.**

18                   **(II) IF EXPECTED REVENUE IN THE FUND IS INSUFFICIENT**  
19 **TO MEET EXPECTED PAYMENTS, THE COMMISSION MAY NOT REIMBURSE LEVEL**  
20 **III TRAUMA CENTERS FOR TRAUMA ON-CALL HOURS UNDER PARAGRAPH**  
21 **(4)(I)6 OF THIS SUBSECTION OR FOR TRAUMA ON-CALL HOURS EXCEEDING**  
22 **35,040 HOURS UNTIL THE REMAINING COSTS ELIGIBLE FOR REIMBURSEMENT**  
23 **UNDER PARAGRAPH (4) OF THIS SUBSECTION ARE FULLY FUNDED.**

24                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 October 1, 2009. It shall remain effective for a period of 4 years and, at the end of  
26 September 30, 2013, with no further action required by the General Assembly, this Act  
27 shall be abrogated and of no further force and effect.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
President of the Senate.

\_\_\_\_\_  
Speaker of the House of Delegates.