

SENATE BILL 916

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By: **Senator Middleton**

Introduced and read first time: February 20, 2008

Assigned to: Rules

Re-referred to: Finance, March 3, 2008

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 21, 2008

CHAPTER _____

1 AN ACT concerning

2 **Maryland Trauma Physician Services Fund – Reimbursement and Grants**

3 FOR the purpose of requiring certain costs incurred by certain trauma centers to
4 maintain certain surgeons on-call to be reimbursed from the Maryland Trauma
5 Physicians Services Fund at a certain rate under certain circumstances;
6 specifying the maximum number of hours per year that certain trauma centers
7 are eligible for reimbursement; authorizing the Maryland Health Care
8 Commission to establish a certain payment rate for uncompensated care
9 incurred by certain trauma physicians that is above a certain rate under certain
10 circumstances; ~~repealing~~ increasing a certain cap on reimbursements from the
11 Fund to certain physicians; providing that expenditures from the Fund may not
12 exceed revenues except under certain circumstances; requiring the Commission,
13 in consultation with certain entities, to develop a certain process for the award
14 of certain grants to Level II and III trauma centers in the State; requiring
15 certain grants to be issued from a certain fund balance; requiring the
16 Commission to report to certain committees of the General Assembly about a
17 certain process for the award of certain grants; altering the amount for a certain
18 grant to subsidize the stand-by costs for certain out-of-state pediatric trauma
19 centers; defining a certain term; altering a certain definition; and generally
20 relating to the Maryland Trauma Physician Services Fund.

21 BY repealing and reenacting, with amendments,
22 Article – Health – General
23 Section 19–130
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 2007 Supplement)

2 BY repealing and reenacting, with amendments,
 3 Chapter 484 of the Acts of the General Assembly of 2006
 4 Section 2

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

7 **Article - Health - General**

8 19–130.

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

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

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

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

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

15 (iii) The Curtis National Hand Center at Union Memorial
 16 Hospital.

17 (4) **“REHABILITATION HOSPITAL” MEANS A FACILITY CLASSIFIED**
 18 **AS A SPECIAL REHABILITATION HOSPITAL AS DESCRIBED IN § 19–307 OF THIS**
 19 **TITLE THAT IS AFFILIATED WITH A TRAUMA CENTER BY COMMON OWNERSHIP.**

20 [(4)] (5) (i) “Trauma center” means a facility designated by the
 21 Maryland Institute for Emergency Medical Services Systems as:

22 1. The State primary adult resource center;

23 2. A Level I trauma center;

24 3. A Level II trauma center;

25 4. A Level III trauma center;

26 5. A pediatric trauma center; or

27 6. The Maryland Trauma Specialty Referral Centers.

1 (ii) "Trauma center" includes an out-of-state pediatric trauma
2 center that has entered into an agreement with the Maryland Institute for Emergency
3 Medical Services Systems.

4 [(5)] (6) "Trauma physician" means a physician who provides care in
5 a trauma center **OR IN A REHABILITATION HOSPITAL** to trauma patients on the
6 State trauma registry as defined by the Maryland Institute for Emergency Medical
7 Services Systems.

8 [(6)] (7) "Uncompensated care" means care provided by a trauma
9 physician to a trauma patient on the State trauma registry who:

10 (i) Has no health insurance, including Medicare Part B
11 coverage;

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

13 (iii) Has not paid the trauma physician for care provided by the
14 trauma physician, after documented attempts by the trauma physician to collect
15 payment.

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

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

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

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

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

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

29 (3) The Commission and the Health Services Cost Review Commission
30 shall administer the Fund.

31 (4) The Fund is a special, nonlapsing fund that is not subject to §
32 7-302 of the State Finance and Procurement Article.

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

4 (c) The Fund consists of motor vehicle registration surcharges paid into the
5 Fund in accordance with § 13–954(b)(2) of the Transportation Article.

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

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

15 (3) The methodology developed under paragraph (1) of this subsection
16 shall:

17 (i) Take into account:

18 1. The amount of uncompensated care provided by
19 trauma physicians;

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

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

23 4. The number of patients served by trauma physicians
24 in trauma centers;

25 5. The number of Maryland residents served by trauma
26 physicians in trauma centers; and

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

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

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

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

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

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

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

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

18 B. For the minimum number of trauma physicians
19 required to be on-call, as specified by the Maryland Institute for Emergency Medical
20 Services Systems in its criteria for Level III trauma centers; [and]

21 **3. THE COST INCURRED BY A LEVEL I TRAUMA**
22 **CENTER OR PEDIATRIC TRAUMA CENTER TO MAINTAIN TRAUMA SURGEONS,**
23 **ORTHOPEDIC SURGEONS, AND NEUROSURGEONS ON-CALL WHEN A**
24 **POST-GRADUATE RESIDENT IS ATTENDING IN THE TRAUMA CENTER SHALL BE**
25 **REIMBURSED:**

26 **A. AT A RATE OF UP TO 30% OF THE REASONABLE**
27 **COST EQUIVALENTS HOURLY RATE FOR THE SPECIALTY, INFLATED TO THE**
28 **CURRENT YEAR BY THE PHYSICIAN COMPENSATION COMPONENT OF THE**
29 **MEDICARE ECONOMIC INDEX AS DESIGNATED BY THE CENTERS FOR MEDICARE**
30 **AND MEDICAID SERVICES; AND**

31 **B. WHEN A POST-GRADUATE RESIDENT IS**
32 **PERMITTED TO BE IN THE TRAUMA CENTER, AS SPECIFIED BY THE MARYLAND**
33 **INSTITUTE FOR EMERGENCY MEDICAL SERVICES SYSTEMS IN ITS CRITERIA**
34 **FOR LEVEL I TRAUMA CENTERS OR PEDIATRIC TRAUMA CENTERS;**

35 **4. THE COST INCURRED BY A MARYLAND TRAUMA**
36 **SPECIALTY REFERRAL CENTER TO MAINTAIN TRAUMA SURGEONS ON-CALL IN**

1 THE SPECIALTY OF THE CENTER WHEN A POST-GRADUATE RESIDENT IS
2 ATTENDING IN THE CENTER SHALL BE REIMBURSED:

3 A. AT A RATE OF UP TO 30% OF THE REASONABLE
4 COST EQUIVALENTS HOURLY RATE FOR THE SPECIALTY, INFLATED TO THE
5 CURRENT YEAR BY THE PHYSICIAN COMPENSATION COMPONENT OF THE
6 MEDICARE ECONOMIC INDEX AS DESIGNATED BY THE CENTERS FOR MEDICARE
7 AND MEDICAID SERVICES; AND

8 B. WHEN A POST-GRADUATE RESIDENT IS
9 PERMITTED TO BE IN THE CENTER, AS SPECIFIED BY THE MARYLAND
10 INSTITUTE FOR EMERGENCY MEDICAL SERVICES SYSTEMS IN ITS CRITERIA
11 FOR A MARYLAND TRAUMA SPECIALTY REFERRAL CENTER; AND

12 [3.] 5. A. A Level II trauma center is eligible for a
13 maximum of 24,500 hours of trauma on-call per year; [and]

14 B. A Level III trauma center is eligible for a maximum of
15 35,040 hours of trauma on-call per year;

16 C. A LEVEL I TRAUMA CENTER SHALL BE ELIGIBLE
17 FOR A MAXIMUM OF 4,380 HOURS OF TRAUMA ON-CALL PER YEAR;

18 D. A PEDIATRIC TRAUMA CENTER SHALL BE
19 ELIGIBLE FOR A MAXIMUM OF 4,380 HOURS OF TRAUMA ON-CALL PER YEAR;
20 AND

21 E. A MARYLAND TRAUMA SPECIALTY REFERRAL
22 CENTER SHALL BE ELIGIBLE FOR A MAXIMUM OF 2,190 HOURS OF TRAUMA
23 ON-CALL PER YEAR;

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

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

33 (iv) [The total reimbursement to emergency physicians from the
34 Fund may not exceed \$275,000 annually] **THE COMMISSION, IN CONSULTATION
35 WITH THE HEALTH SERVICES COST REVIEW COMMISSION, MAY ESTABLISH A**

1 PAYMENT RATE FOR UNCOMPENSATED CARE INCURRED BY A TRAUMA
2 PHYSICIAN IN PROVIDING TRAUMA CARE TO TRAUMA PATIENTS ON THE STATE
3 TRAUMA REGISTRY THAT IS ABOVE 100% OF THE MEDICARE PAYMENT FOR THE
4 SERVICE IF:

5 1. THE COMMISSION DETERMINES THAT
6 INCREASING THE PAYMENT RATE ABOVE 100% OF THE MEDICARE PAYMENT
7 FOR THE SERVICE WILL ADDRESS AN UNMET NEED IN THE STATE TRAUMA
8 SYSTEM; AND

9 2. THE COMMISSION REPORTS ON ITS INTENTION TO
10 INCREASE THE PAYMENT RATE TO THE SENATE FINANCE COMMITTEE AND THE
11 HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE, IN
12 ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, AT LEAST
13 60 DAYS BEFORE ANY ADJUSTMENT TO THE RATE; AND

14 (V) THE TOTAL REIMBURSEMENT TO EMERGENCY
15 PHYSICIANS FROM THE FUND MAY NOT EXCEED \$300,000 ANNUALLY.

16 (5) In order to receive reimbursement, a trauma physician in the case
17 of costs of uncompensated care under subsection (b)(2)(i) of this section, or a trauma
18 center in the case of on-call costs under subsection (b)(2)(iii) of this section, shall apply
19 to the Fund on a form and in a manner approved by the Commission and the Health
20 Services Cost Review Commission.

21 (6) (i) The Commission and the Health Services Cost Review
22 Commission shall adopt regulations that specify the information that trauma
23 physicians and trauma centers must submit to receive money from the Fund.

24 (ii) The information required shall include:

25 1. The name and federal tax identification number of the
26 trauma physician rendering the service;

27 2. The date of the service;

28 3. Appropriate codes describing the service;

29 4. Any amount recovered for the service rendered;

30 5. The name of the trauma patient;

31 6. The patient's trauma registry number; and

1 7. Any other information the Commission and the
2 Health Services Cost Review Commission consider necessary to disburse money from
3 the Fund.

4 (iii) It is the intent of the General Assembly that trauma
5 physicians and trauma centers shall cooperate with the Commission and the Health
6 Services Cost Review Commission by providing information required under this
7 paragraph in a timely and complete manner.

8 **(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
9 **SUBSECTION AND NOTWITHSTANDING ANY OTHER PROVISION OF LAW,**
10 **EXPENDITURES FROM THE FUND FOR COSTS INCURRED IN ANY FISCAL YEAR**
11 **MAY NOT EXCEED REVENUES OF THE FUND IN THAT FISCAL YEAR.**

12 **(2) (I) THE COMMISSION, IN CONSULTATION WITH THE**
13 **HEALTH SERVICES COST REVIEW COMMISSION AND THE MARYLAND**
14 **INSTITUTE FOR EMERGENCY MEDICAL SERVICES SYSTEMS, SHALL DEVELOP A**
15 **PROCESS FOR THE AWARD OF GRANTS TO LEVEL II AND LEVEL III TRAUMA**
16 **CENTERS IN THE STATE TO BE USED FOR EQUIPMENT PRIMARILY USED IN THE**
17 **DELIVERY OF TRAUMA CARE.**

18 **(II) 1. THE COMMISSION SHALL ISSUE GRANTS UNDER**
19 **THIS PARAGRAPH FROM ANY BALANCE CARRIED OVER TO THE FUND FROM**
20 **PRIOR FISCAL YEARS.**

21 **2. THE TOTAL AMOUNT OF GRANTS AWARDED**
22 **UNDER THIS PARAGRAPH IN A FISCAL YEAR MAY NOT EXCEED 10% OF THE**
23 **BALANCE REMAINING IN THE FUND AT THE END OF THE FISCAL YEAR**
24 **IMMEDIATELY PRIOR TO THE FISCAL YEAR IN WHICH GRANTS ARE AWARDED.**

25 **(III) THE PROCESS DEVELOPED BY THE COMMISSION FOR**
26 **THE AWARD OF GRANTS UNDER THIS PARAGRAPH SHALL INCLUDE:**

27 **1. GRANT APPLICATIONS AND REVIEW AND**
28 **SELECTION CRITERIA FOR THE AWARD OF GRANTS;**

29 **2. REVIEW BY THE COMMISSION, IF NECESSARY,**
30 **FOR ANY PROJECT THAT EXCEEDS CERTIFICATE OF NEED THRESHOLDS; AND**

31 **3. ANY OTHER PROCEDURE DETERMINED**
32 **NECESSARY BY THE COMMISSION.**

33 **(IV) BEFORE AWARDING GRANTS UNDER THIS SUBSECTION**
34 **IN A FISCAL YEAR, THE COMMISSION SHALL REPORT TO THE SENATE FINANCE**
35 **COMMITTEE AND THE HOUSE HEALTH AND GOVERNMENT OPERATIONS**

1 **COMMITTEE, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT**
 2 **ARTICLE, ON THE PROCESS THAT THE COMMISSION HAS DEVELOPED FOR**
 3 **AWARDING GRANTS IN THAT FISCAL YEAR.**

4 [(e)] (F) On or before November 1 of each year, the Commission and the
 5 Health Services Cost Review Commission shall report to the General Assembly, in
 6 accordance with § 2-1246 of the State Government Article, on:

7 (1) The amount of money in the Fund on the last day of the previous
 8 fiscal year;

9 (2) The amount of money applied for by trauma physicians and
 10 trauma centers during the previous fiscal year;

11 (3) The amount of money distributed in the form of trauma physician
 12 and trauma center reimbursements during the previous fiscal year;

13 (4) Any recommendations for altering the manner in which trauma
 14 physicians and trauma centers are reimbursed from the Fund;

15 (5) The costs incurred in administering the Fund during the previous
 16 fiscal year; and

17 (6) The amount that each hospital that participates in the Maryland
 18 trauma system and that has a trauma center contributes toward the subsidization of
 19 trauma-related costs for its trauma center.

20 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 21 read as follows:

22 **Chapter 484 of the Acts of 2006**

23 SECTION 2. AND BE IT FURTHER ENACTED, That the Health Services Cost
 24 Review Commission shall develop guidelines for the approval of an annual grant from
 25 the Maryland Trauma Physician Services Fund under § 19-130 of the
 26 Health – General Article of up to [\$490,000] **\$590,000** to subsidize the stand-by costs
 27 for an out-of-state pediatric trauma center that has entered into an agreement with
 28 the Maryland Institute for Emergency Services Systems.

29 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
 30 effect July 1, 2008.