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The Honorable Kumar P. Barve, Chair
Environment and Transportation Committee
Room 251, House Office Building
Annapolis, MD 21401

RE: HB 632 – Vehicle Laws - Registration - Renewal - INFORMATION

Chair Barve:

The Maryland Health Care Commission (Commission) would like to provide the House Environment and Transportation Committee with information related to House Bill 632 (HB 632). HB 632 authorizes the Maryland Vehicle Administration (MVA) to charge a late fee for late registration renewals and \$6.25 of each late fee shall be paid to the Maryland Trauma Physician Services Fund (Trauma Fund) under Health General §19-130. The Maryland Health Care Commission, an independent State regulatory Commission, administers the Trauma Fund.

The Trauma Fund was created in 2003, and has been modified several times since.¹ The Trauma Fund provides funding for Maryland’s trauma physicians working in trauma centers across the State (as well as Children’s National Medical Center in DC). The fund subsidizes the cost of trauma centers maintaining on-call physicians to provide trauma care, the cost of providing uncompensated care to trauma patients (primarily for patients who do not have health insurance),

¹ For example, in 2019, the General Assembly enacted legislation that made the Primary Adult Resource Center at the University of Maryland (PARC or “Shock Trauma”) eligible for standby payments for trauma physicians. Standby payments for most other trauma centers are built into hospital payment rates set by the Health Resources Cost Review Commission, rather than being paid out of the Trauma Fund balance. The exception is Children’s National Medical Center. The Trauma Fund makes an annual grant to Children’s for standby costs for Maryland pediatric trauma patients.

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and the cost of providing trauma care to patients who are enrolled in Medicaid (the Medicaid differential). When funds allow, the Trauma Fund also provides grants to trauma centers for the purchase of equipment.² Payments to all eligible providers and the administrative costs associated with making those payments were \$11,826,729 in FY 2019.

The Commission urges the Committee to consider the importance of this fund to sustaining Maryland's system of trauma care. On-call payments from the fund increased from \$5.6 million in 2010 to \$8.1 million in 2019. On-call payments account for almost two-thirds of the revenue from the MVA to this fund (the fund has a \$12 million cap on annual spending). The Commission also recognizes that hospital global budgets under the Maryland Model of hospital rate setting have made it more difficult for hospitals to sustain on-call trauma stipends without support from the Fund.

The Commission annually publishes a report on the Maryland Trauma Physician Services Fund (the most recent report is available here: [https://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_trauma/documents/Maryland Trauma Physicians Services Fund Operations.pdf](https://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_trauma/documents/Maryland_Trauma_Physicians_Services_Fund_Operations.pdf)). In the most recent report, the Commission announced plans to conduct a broad assessment that examines modifying reimbursement levels, operational efficiencies in the administration, and possible revenue enhancements, and to bring stakeholders together to discuss possible changes to the fund to ensure long-term fund sustainability. To the extent that this bill enhances revenue for the Trauma Fund, this will help sustain trauma care throughout the State.

I hope you find this information useful. Please feel free to contact me at (410) 764-3566 or Ben.Steffen@maryland.gov, or Megan Renfrew, Government Affairs and Special Projects, at (410) 764-3483 or Megan.Renfrew@maryland.gov if you have any questions.

Sincerely,



Ben Steffen
Executive Director
Maryland Health Care Commission

² The Commission plans to make \$300,000 in equipment grants in FY 2020-2021.

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