

Designated Trauma Facility and Emergency Medical Services Account Implementation of HB-3588

Background

HB 3588 of the 78th Texas Legislature created a new Designated Trauma Facility and Emergency Medical Services Account (DTFEMS) for the purpose of supporting trauma facilities, emergency medical services (EMS) firms, and EMS/Trauma Systems.

Funds in the account are generated through two sources. One is state traffic fines and the other is a “Driver Responsibility Program,” which utilizes a point system for driving infractions, assessing a surcharge on the license of a person who has accumulated points over a specific timeframe. Revenue estimates range from \$100 million in Fiscal Year (FY) 2004 to \$240 million in FY 2007. The 78th Legislature appropriated \$108 million for FY 2004 and \$163 million for FY 2005. As of April 28, 2004, approximately \$5,500,000 has accumulated in the fund. HB 3588 specifies the following distribution formula for the funds: \$500,000 for the Extraordinary Emergency Fund; 96% of the remaining funds to trauma facilities and hospitals in “pursuit of designation” for uncompensated trauma care; 2% to EMS providers; 1% to Regional Advisory Councils in the trauma system; and 1% for administrative costs.

Since passage of the bill, TDH has worked extensively with stakeholders, including the Texas Public and Not-for-Profit Hospital Association, the Texas Hospital Association’s Technical Advisory Group (THA TAG), the Texas Medical Association’s EMS and Trauma Committee, and the Governor’s EMS and Trauma Advisory Council (GETAC) to develop a rule for implementation. After more than 25 hours of meetings, the Trauma Systems Committee voted unanimously to recommend to GETAC that the rule be forwarded to the Texas Board of Health (Board) for proposal. At the GETAC meeting on February 13, 2004, the Council voted unanimously to propose the rule to the Board of Health. The Board proposed the rule for publication in the *Texas Register* and comment at its meeting on April 15, 2004; publication is scheduled for April 30, 2004. The public comment period runs through May.

Major provisions of the rule include:

- Definition of uncompensated trauma care and methodology for determining costs from charge data
 - Hospitals report charges for uncompensated care
 - Medicaid cost to charge ratio is applied to total charges which results in costs
- Calculation of hospital shares of the available funds
 - 15% will be shared equally among all eligible applicants up to a maximum of \$50,000 per facility
 - 85% will be based on a pro rata share of the total uncompensated trauma care reported by eligible hospitals
 - Any collections by hospitals on previously-reported uncompensated trauma care must be reported and will offset the distribution amounts for the following year

- Provisions for return of the funds if a hospital does not meet designation requirements
- Support of the development of physician incentive plans by hospitals
- Specification of the distribution methodology for the other allocations (Extraordinary Emergency Fund - \$500,000; EMS – 2%; Regional Advisory Councils – 1%)

Current Situation

As of September 1, 2003, 192 hospitals were designated as trauma facilities. Additionally, 70 undesignated facilities have met the criteria for the “active pursuit of designation” provisions of the legislation. These facilities have until December 31, 2005 to achieve designation or any funds they receive under this statute must be returned.

Hospitals Eligible for Funding from the Designated Trauma Facility and Emergency Medical Services Account (FY04/05)

	Designated (9/1/2003)	Met “in active pursuit of designation provisions” (12/31/03)	Total eligible hospitals
Comprehensive (Level I)	12	1	
Major (Level III)	9	2	
General (Level III)	37	12	
Basic (Level IV)	134	55	
	192	70	262

Texas trauma facilities are struggling to maintain the resources to remain designated; the major problems cited are uncompensated trauma care and physician coverage.

Next Steps

- TDH will take comments through May 30, 2004.
- TDH will submit the rule to the July 1, 2004 meeting of the Texas Board of Health for final adoption.
- Once the rules are adopted, TDH will finalize the application process and notify eligible entities so that any funds that accumulate during this fiscal year can be distributed.

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