

Trauma Fund Report on: Use of Funds in Improving Virginia's Trauma System, and Review of Feasible Long Term Financing Mechanisms and Potential Funding Sources for Virginia's Trauma Centers.

April 19, 2013

Background

In the 2004 General Assembly Session House Bill (HB) 1143 amended the *Code of Virginia* by adding section 18.2-270.01 which established the Trauma Center Fund for the Commonwealth of Virginia. This was the first step in addressing the challenges faced by Virginia's Trauma Centers.

The legislation required that persons convicted of criminal violations for driving under the influence pursuant to §§ 18.2-36.1, 18.2-51.4, 18.2-266 or 46.2-341.24 (DUI), and who had also been previously convicted of one or more of these violations, pay a fine of \$50 into the Trauma Center Fund.

HB 2664, enacted during the 2005 Legislative Session, required that before granting or restoring a license or registration to any person whose driver's license or other privilege to drive motor vehicles or privilege to register a motor vehicle has been revoked or suspended, the Commissioner of the Department of Motor Vehicles must collect from that person a fee of \$40 in addition to all other fees provided for in this section. The additional \$40 fee must be paid into the Trauma Center Fund.

In 2006, language was added to the Appropriations Act specifying and requiring that the Virginia Department of Health, Office of Emergency Medical Services (VDH/OEMS) report on the use of these funds in improving Virginia's Trauma System to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1 of each year.

Trauma System Funding Challenges

In 2004 a Joint Legislative Audit and Review Commission (JLARC) report *The Use and Financing of Trauma Centers in Virginia*, stated that the Virginia Trauma System faced financial burdens for two major reasons: uncompensated or undercompensated care and readiness costs. The JLARC study concluded that the 14 hospitals in Virginia were losing a combined \$44 million each year.

Higher clinical care costs and Trauma System readiness costs are not accounted for by public or private payers. Payment from these sources is limited to the provision of actual clinical care given to a patient with an isolated minor injury. Trauma patients are those patients with severe, multisystem injuries that require complex critical care. Reimbursement rates also do not account for the specialized resources that must be maintained in a high state of readiness that may or may not be utilized. The specialized training, extra staffing, surgical specialties that must be immediately available, and extra infrastructure required by trauma center designation must be

absorbed by the facility and are usually either cross-subsidized by other initiatives or else abandoned.

Use of Trauma Center Fund

The Trauma Fund directs funds to be used for defraying the costs of providing emergency medical care to victims of trauma and to recognize uncompensated care losses. The Appropriations Act describes uncompensated care losses as including readiness costs and clinical services incurred by providing care to uninsured trauma patients. The level of readiness required of a trauma designated hospital is unparalleled by other disciplines and is where the VDH/OEMS has focused the efforts of the Trauma Center Fund in supporting Virginia’s Trauma System. Table 1 below summarizes the funding provided to each designated trauma center in CY12.

Table 1 Trauma Center Funding by Trauma Center

Trauma Center Name & Level of Designation	Total Funds Received for CY12
Roanoke Memorial Hospital	\$1,413,671.56
Inova Fairfax Hospital	\$1,625,853.37
Norfolk General Hospital	\$1,169,994.23
UVA Health System	\$1,457,558.98
VCU Health Systems	\$2,545,582.58
Lynchburg General Hospital	\$239,827.37
Mary Washington	\$409,201.45
Riverside Regional Medical Center	\$370,163.75
Winchester Medical Center	\$451,608.74
New River Valley Medical Center	\$159,447.09
CJW Medical Center	\$91,158.77
Montgomery Regional Hospital	\$26,046.85
Southside Regional Medical Center	\$45,417.76
Virginia Beach General Hospital	\$236,978.23

Source: Virginia Office of EMS staff

The Trauma Center Fund Disbursement Policy focuses on the readiness costs incurred by hospitals specifically due to being designated as a Trauma Center. A collaborative effort with trauma system stakeholders to reassess the current trauma system needs is underway. The intent of this collaborative effort is to revise the disbursement policy.

Feasible Long Term Financing Mechanisms

The only source of funding dedicated to Virginia’s Trauma System continues to be the Trauma Center Fund. Through strong advocacy by state trauma system stakeholders and national associations section 3505 of the federal health reform legislation does authorize the appropriation of \$100 million to Trauma Centers and an additional \$100 million to support state trauma systems. To date funds have not been appropriated for trauma on the federal level.

Section 3505 recognizes that hospitals designated as Trauma Centers incur additional costs due to both a higher ratio of uninsured or under insured patients and the heightened level of resources required to be on call and immediately available in order to meet designation criteria.

VDH/OEMS continues to monitor for opportunities to find other sources of funding to increase the support for Virginia's trauma system. Routine involvement with federal agencies and participation on the National Association of State Emergency Medical Services Officers' Trauma Managers Council allows us to stay informed and support efforts for increased trauma funding sources.