Based on a Report From:

Wyoming Medical Center

Casper, WY

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W.S. 35-1-801, passed in the early 1990s, requires the Wyoming Department of Health to develop a comprehensive emergency medical services and trauma system and determine hospitals' capacity for handling trauma cases. Wyoming hospitals voluntarily participate in the trauma program. The Wyoming Department of Health began receiving an average of about $500,000 annually for EMS and trauma in 1996.[1]

Wyoming's Trauma Coalition was created in 1981, made up of leaders within the state's medical and business communities, the American Association of Retired Persons (AARP), and law enforcement. In 1982, the Coalition launched the creation of an advanced trauma life support course. In 1983, Wyoming Medical Center began providing helicopter and fixed wing air service to its patients. Within 10 years, vehicle accident mortality was reduced by 50%. The Coalition successfully lobbied the 1993 Wyoming State Legislature to create the only state funded, legislatively mandated trauma system in the United States.

The Wyoming Trauma Advisory Board was created in 2001 to analyze state trauma registry data, evaluate the efficacy of the trauma care system, and develop a statewide performance improvement and injury prevention plan. The Wyoming Trauma Coalition continues to meet regularly in collaboration with the Governor's Emergency Medical Services Advisory Committee, under the leadership of Dr. James Anderson, an emergency room physician and surgeon residing in Casper. Based on the recommendation of both groups, the trauma system underwent an American College of Surgeons consultation in 2004.[2]

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[1] Part One, Annual Progress Report 2003, Wyoming Trauma Program, Maggie Cleveland, Nov. 17, 2003

[2] Annual Progress Report 2003, Wyoming Trauma Program. For Dr. Anderson's presentation of the ACS consultation and findings, see Wyoming Healthcare Commission March 2004 meeting minutes, www.wyominghealthcarecommission.org

The trauma designation process for Wyoming's hospitals was instituted in January of 2000. Twenty-five hospitals in Wyoming have been visited by independent surveyors and approved for inclusion in the trauma system on some level. Twenty-two have received formal designation and three have been granted provisional status.[3]

Wyoming Medical Center in Casper and United Medical Center in Cheyenne are the state's two regional trauma centers. Wyoming Medical Center is still the only facility in the state offering helicopter and fixed-wing aircraft transportation to patients. Two hospitals – South Lincoln Medical Center in Kemmerer and Weston County Medical Services in Newcastle - are "trauma receiving" facilities only, meaning they have physician but no surgeon coverage and can assess and resuscitate patients before sending them on to a bigger facility. Hospitals in Afton, Buffalo, Douglas, Evanston, Jackson, Powell, Rawlins, Riverton, Thermopolis, Torrington, Wheatland, and Worland are community trauma hospitals and are unlikely to have the constant presence of surgeons and will also transfer most seriously-injured patients. Cody, Gillette, Lander, Laramie and Rock Springs are area trauma hospitals and have surgeons on call, but do not have neurosurgeons necessarily available.[4]

Essential to an effective trauma system is a trauma registry, a dynamic database of trauma patients, care, outcomes, injury prevention needs and systems efficacy. Each hospital in the state has been provided with a new computer and the latest Windows version of *Trauma!*, a software program designed specifically for gathering trauma system data.

Eighty-five percent of the state's ambulance crews are staffed by volunteers. Maggie Cleveland, RN, is the trauma program coordinator in Cheyenne and is housed in the Wyoming Department of Health's Emergency Medical Services Division, directed by Jim Mayberry. Dr. G. Douglas Schmitz, a surgeon in Torrington, is the contract trauma director. An information technology specialist is available to help with trauma system data entry and submission.

[3] Annual Progress Report 2003, Wyoming Trauma Program
[4] Trauma Center Designation in Wyoming, February 2004, Maggie Cleveland, mcleve@state.wy.us

Wyoming Medical Center health policy analyst and lobbyist Sherlyn Kaiser says trauma physicians are increasingly hard to come by across the nation because their working conditions allow them to justify demanding higher rates of pay. "The negative impact on lifestyle, disruption of private practice, low payment from managed care, problematic trauma patient billing, increasing uncompensated care, trends toward outpatient surgeries, sub-specialization, and physician shortages are creating the trend toward medical staffs' unwillingness to bear the added burden of regional trauma care," Kaiser says. "In some cases, physicians may request on-call payments of $1,000 per 24 hours from the hospitals they staff, in order to adjust for personal losses. For example, a hospital paying a general surgeon and a neurosurgeon to be on call at $1,000 per day would incur $730,000 in additional costs. Hospitals facing those kinds of demands are inclined to consider closing their trauma programs, or are reluctant to become trauma centers."

Medical malpractice insurance premium cost assistance is needed, Kaiser says, to ensure that more emergency room physicians will be willing to continue to provide care to trauma patients. ER doctors' advocates have suggested that those physicians be considered state employees when providing trauma care, thereby allowing them to practice under the state liability umbrella. West Virginia has a model program that has been suggested.

"System liability protection needs to be established," Kaiser continued. "And we need to identify funding sources for trauma call expenses."

Hospitals in other states are closing their trauma programs, emergency rooms and other services. This is likely to negatively impact the provision of care to highly-involved, low-paying patients, Kaiser notes. But other patients suffer, too, and all taxpayers should be willing to pay higher taxes to assure the availability of trauma care, she says. "Without trauma programs, open heart and neurosurgery, many Wyoming citizens would simply die or suffer unnecessarily due to the vast distances required to travel for specialty care and services," Kaiser says. "To ensure continued trauma services, a statewide trauma reimbursement system must be established."

In 2001, a nationwide study showed that uncompensated healthcare, low rates of compensation for trauma physicians, a shortage of medical staff support and economic barriers were the primary factors that impede trauma system development. Unreimbursed care was the top issue cited, with 50% of the states surveyed identifying self-paying patients and low reimbursements from Medicaid and Medicare as priority problems.[5]

The Wyoming State Planning Grant (SPG) Task Force's 2003 study confirmed national estimates that about 14% of Wyoming's population – 70,000 people – are uninsured. The American Hospital Association reports that 9 out of 10 privately insured Americans receive health coverage at the workplace, but low-wage workers have more difficulty obtaining such coverage, says Kaiser, who attended and participated in SPG Task Force meetings. Only 43 percent of those earning $7 an hour or less are offered employment-based coverage, compared to 93 percent of U.S. workers who earn more than $15 an hour. Even when coverage is offered it is often too expensive for many low-wage workers to purchase, Kaiser reports, because low-wage workers have less discretionary income to spend on insurance premiums and because premiums on average are considerably more expensive for workers in low-wage firms than they are for workers in high-wage firms.

Public sector coverage for low-wage families divides low-income populations into three groups -- children, parents of children, and childless adults. Children in most states are eligible for public sector coverage if they live in families with incomes below a designated percentage of the federal poverty level. The American Hospital Association, according to Kaiser, says parents receive considerably less protection: in 32 states, a parent working for minimum wage ($5.15 per hour) is considered to have "too much income" to qualify for Medicaid if that parent works full time. Parents leaving welfare for work often lose their Medicaid coverage even though they usually wind up in entry-level jobs that provide no health coverage. Medicaid coverage excludes single adults or childless couples, no matter how poor, unless they are disabled. As a result, low-wage working people and families who have no access to employment-based health

[5] Trauma Resource Network 2001-2002 Annual Report, www.traumacare.com, (949) 786-3597

coverage or cannot afford such coverage also remain ineligible for Medicaid.

The Wyoming Hospital Association reports that Medicare and Medicaid pay for 63% of Wyoming hospitals patients' "patient days." Medicare and Medicaid represent 49% of hospitals' total gross patient revenue and 38% of total patient revenue. These government programs also represent 68% of all deductions written off – the root of "cost-shifting," Kaiser says. Wyoming hospitals received 49 cents in Medicare reimbursement for every $1 charged to Medicare in 2002, and 50 cents for every dollar charged to Medicaid.[6]

American Hospital Association data from 2001 (the only available comparative data) shows that the average cost per day for hospital care in Wyoming that year was $2,904, and the average cost per stay was $11,618. Wyoming's cost per day exceeded *all* other western states' that year (Arizona, $2,083; Colorado, $2,649; Idaho, $2,564; Montana, $2,463; Utah, $2,602; New Mexico, $2,523; Nebraska, $2,904; North Dakota, $2,480; South Dakota, $2,080). Wyoming's cost per stay, however, was lower than North Dakota and Nebraska's. Arizona, Idaho, Montana, Utah, New Mexico, and South Dakota showing cost-per-stays ranging from $8,955 to $11,575.

In looking at the comparative data, Kaiser says, the cost per hospital stay is the most meaningful. "It should be further pointed out that salaries and benefits account for between 60% and 70% of all hospital expenses," she said, which are escalating as the healthcare workforce shortage penetrates Wyoming. "We have to compete on the national market for our healthcare professionals, so we can anticipate the cost for qualified people will continue to drive up the cost of healthcare," she says.

Uncompensated care cost Wyoming hospitals $60 million care in 2002, Kaiser reports. Twenty-one of Wyoming's 25 acute care hospitals are county owned and write off charity care and bad debt worth more than four times what is received in tax support levied to cover the cost of indigent care[7]. But only 15 of the 21 governmentally held hospitals in the state actually receive tax support, according to Kaiser.

[6] Wyoming Hospital Association, Wyoming Hospitals' 2002 Year Data (Source: American Hospital Association Annual Survey)
[7] Wyoming Hospitals – Ownership/Governance

Despite considerable restructuring, cost reduction and containment efforts, and the elimination of many non-essential hospital services, the decline in the insured patient base has significantly impacted Wyoming Medical Center's revenue in recent years, Kaiser says. The Wyoming Medical Center in Casper wrote off more than $47 million in bad debt and charity care in the first three years of the new millennium. In fiscal year 2002, using both a fixed wing plane and a helicopter, WMC provided 484 flights to transport patients to appropriate care centers or in response to emergencies. Only about one-third of the flights served Natrona County residents. A significant number of the out-of-county residents transported were uninsured or underinsured. In 2002 alone, bad debt and charity write offs associated with trauma care totaled $2.9 million and $1.4 million was tied to patients from outside of Natrona County, Kaiser reports.[8]

Three hospitals -- Wyoming Medical Center, United Medical Center in Cheyenne and St. John's Hospital in Jackson -- provide 95% of the trauma care delivered in the state. According to Wyoming's Trauma Registry, in 2002 the statewide trauma reimbursement deficit totaled $7 million. Since then, that total has increased to more than $11 million.

Bad debt and charity care write offs related to the provision of trauma care totaled $900,000 during the first few months of this year at Wyoming Medical Center – a 270% increase. About 50% of trauma related losses are attributed to people not living in Natrona County. In 2002, there were 88 out-of-county trauma transfers to Wyoming Medical Center. Trauma related write-offs are the largest from Carbon, Johnson, Fremont, Campbell, and Converse counties. "It is critical that some type of state assistance be provided to offset costs for write offs due to patients from outside of Natrona County," Kaiser says.[9]

At St. John's Medical Center in Jackson, $1 million in bad debt and charity care related to trauma was absorbed in 2002, and 46% of the uncompensated care provided in association with trauma services was provided to people residing outside Teton County.

[8] Trauma-Related Accounts over $10,000 Written Off to Bad Deb in Fiscal 2004
[9] Wyoming Medical Center Bad Debt/Charity Write Offs By County for FY 2001, FY 2002 and FY 2003

In fiscal year 2003, United Medical Center in Cheyenne incurred $420,000 in expenses associated with initiation and certification of its trauma program and anticipates spending at least that much each year to remain fully certified. Since April of last year, United Medical Center's bad debt and charity write-offs associated with trauma totaled $307,000.

At the end of fiscal year 2003, 39% of Wyoming Medical Center's patient billing accounts with balances of $10,000 or more which were written off as uncollectible were related to motor vehicle accidents, and 24% were carried by uninsured motorists. At the end of the first quarter of 2004, 41% were motor vehicle related, and 55% of those patients were uninsured.

During the 2003 legislative session, a bill was introduced that would have appropriated $10 million to fund a reimbursement account through the Department of Health. This bill failed in committee due to unsuccessful attempts to identify a funding source that would place the financial burden of reimbursement on motorists. Because motor vehicle accidents cause a significant number of the bad debt/charity write-offs associated with trauma, it was considered that a surcharge on motor vehicle registrations could justifiably fund a reimbursement account. An annual $5 surcharge on motor vehicle registrations was proposed, patterned after the existing motorcycle safety program fee of $3. But the Legislative Service Office's research showed that the Wyoming Constitution requires the allocation of all revenue generated by motor vehicle-related fees to go to the Department of Transportation.

The Wyoming State Planning Grant Task Force, tasked with studying the state's uninsured problem in 2003, responded to the plea made by Wyoming Medical Center and other hospitals and recommended that the 2004 Legislature "develop a Wyoming approach to address the urgent crisis of uncompensated catastrophic care which is provided by hospitals who treat uninsured individuals, especially in small communities where even a small number of high cost cases can threaten the solvency of the community hospital."

The Wyoming Healthcare Commission endorsed the State Planning Grant Task Force's recommendations in November 2003. The SPG Taskforce called for a one-time

appropriation to reimburse all Wyoming hospitals for half the cost of "outlier" catastrophic care provided to uninsured patients with bills totaling more than $25,000 during calendar year 2003. This recommendation, if approved, was estimated to cost $10 million. A $150,000 study would explore the purchase of a state-funded secondary catastrophic insurance policy to cover all Wyoming citizens – possibly supported with a catastrophic insurance tax. The Legislature did not approve the $10 million allocation but did mandate a $150,000 study of unreimbursed catastrophic care, to be completed by the Wyoming Healthcare Commission prior to the 2005 legislative session.[10]

Interim research conducted by the Wyoming Department of Health EMS Division and Wyoming Medical Center indicates that trauma care funding is a nationwide problem and hospitals are increasingly reluctant to become or remain trauma centers. Kaiser says eight states have already dedicated funds to the care of indigent trauma patients to preserve the provision of trauma care. Traffic fines support costs associated with trauma systems in four of the eight states, and fee surcharges have been initiated in three states. Washington has mandated a $5 traffic infraction fine and a $4 vehicle surcharge to fund indigent trauma care. Justification for this funding is based on the fact that the majority of trauma patient injuries in those states are vehicle related.

Texas is considering establishing a "driver responsibility program" that will add fees to motor vehicle violations, including speeding and drunken driving. The $310 million legislators anticipate can be generated by the program will go into the state's tertiary-care fund, which helps subsidize trauma centers. The Texas bill creates a points system for motor violations and requires that drivers with accumulated points pay $100 to $1,500 annually for up to three years. The justification for placing the financial burden on "bad drivers" is based on statistics showing car accidents account for 54% of Texas' emergency room costs. "The bulk of those accidents are caused by a small percentage of habitually bad drivers," Kaiser says, and Wyoming Medical Center records indicate that "in Wyoming the situation is similar.'

[10] Senate File 34, Enrolled Act 32

In Wyoming, Wyoming Medical Center – with support from EMS officials - is advocating for creation of an Emergency Medical Services Reimbursement Fund. Suggested funding sources include a general fund appropriation, traffic violation fines or surcharges, or reallocation of money in the Miner's Hospital Trust Fund. In addition, hospitals need "full cost reimbursement" from Medicare and Medicaid, Kaiser says.

EMS system officials propose prevention as another means of reducing trauma-related costs. State statute requires the Department of Health to identify the causes of trauma in Wyoming and propose programs of prevention thereof for consideration by the Legislature, healthcare providers and other agencies concerned with accident prevention or aftercare.[11]

Kaiser and her peers are suggesting that drivers should be required to carry additional medical expense coverage, and insurers should be made to provide coverage even in alcohol-involved accidents. A trauma legislation package could be considered that addresses accident prevention by strengthening Wyoming's helmet and seat belt laws, medical malpractice insurance premium assistance for emergency room physicians having trouble getting affordable coverage, and liability protection for doctors trying to help badly injured trauma patients.

Wyoming healthcare provider organizations succeeded, however, in getting their message across regarding the burden of unreimbursed trauma care and the issue was legislatively assigned to the Wyoming Healthcare Commission for study. Healthcare professional organizations are interested in seeing the provision of trauma care and its costs researched and analyzed from several angles, including:

- How much it costs county owned hospitals to absorb the cost of other counties' patients;
- How much uninsured and underinsured motorists are costing hospitals and healthcare practitioners providing them with healthcare;
- Whether an Emergency Medical Services Reimbursement Fund is feasible;

[11] W.S. 35-1-805, Emergency Medical Services and Trauma System, Duties of the Department of Health

- How to fairly disburse future reimbursement for trauma care.

Advocates for creating a new system for paying providers of trauma care who are not adequately reimbursed suggest:

- An Emergency Medical Services Reimbursement Fund patterned after the one in Texas, or supported with Miner's Hospital Trust Fund dollars;
- A statewide "Life Savers" fund used to offset trauma expenses, supported with tobacco funds or a surcharge on motor vehicle violations (requiring a constitutional amendment).
- Mandatory licensed driver medical expense coverage;
- Insurance company coverage of alcohol related accidents;
- "Full cost" reimbursement for healthcare services from Medicare (federal) and Medicaid (state).

Appendices

1. Part One, Annual Progress Report 2003, Wyoming Trauma Program, Maggie Cleveland, Nov. 17, 2003

2. Trauma Center Designation in Wyoming, February 2004, Maggie Cleveland, mcleve@state.wy.us

3. Trauma Resource Network 2001-2002 Annual Report, www.traumacare.com, (949) 786-3597

4. Wyoming Hospital Association, Wyoming Hospitals' 2002 Year Data (Source: American Hospital Association Annual Survey)

5. Wyoming Hospitals – Ownership/Governance

6. Trauma-Related Accounts over $10,000 Written Off to Bad Deb in Fiscal 2004

7. Wyoming Medical Center Bad Debt/Charity Write Offs By County for FY 2001, FY 2002 and FY 2003

8. Senate File 34, Enrolled Act 32

9. W.S. 35-1-805, Emergency Medical Services and Trauma System, Duties of the Department of Health