

SECTION 4: OTHER STATES' AND FEDERAL FUNDING OF TRAUMA AND CATASTROPHIC CARE

Overview

Our research of other states indicated that 11 states have established trauma care or catastrophic care funds, or both. These 11 states are:

- California
- Florida
- Idaho
- Illinois
- Maryland
- Michigan
- Mississippi
- New Mexico
- Pennsylvania
- Texas
- Washington

In this section, we describe features of these programs: funding sources, criteria for eligibility for funding and allocation of funds. Our research was conducted through interviews with state representatives and internet sources. Appendix H provides a listing of the resources we used to compile this section.

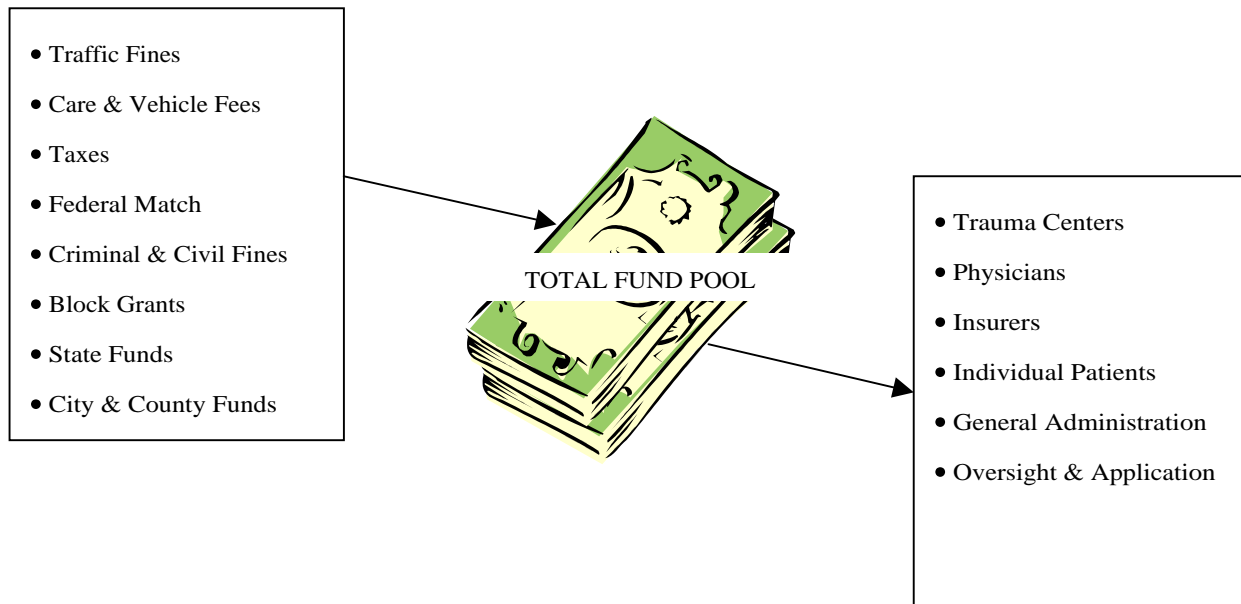
Each of these states fund or administer their trauma or catastrophic care funds differently. We will describe the differences and the similarities between these state trauma and catastrophic care funds to assist the State of Wyoming in identifying options for establishing a fund dedicated to trauma or catastrophic care or both.

Although we will discuss both trauma and catastrophic care in this section, our research indicates that most states do not combine their trauma and catastrophic care funds. Pennsylvania is the only state we have studied that funds both trauma care and catastrophic care.

Trauma Care Funding

There are a number of similarities and differences in how the states fund trauma care. All of the states we surveyed maintain their trauma care funds in a central trauma care pool, and each has a different approach to distributing funding. The following figure provides a general overview of the potential sources and flow of funding.

Figure IV.1: Overview of Trauma Funding



States vary in terms of which groups of providers they will target funds; these providers include emergency medical first responders, trauma care centers and select physicians for trauma services.

Trauma Funding Eligibility for Hospitals

All of our selected states provide reimbursement to the most specialized trauma facilities, i.e., Level I and Level II trauma centers. A number of states also reimburse less specialized trauma facilities, including Level III and Level IV trauma centers. For example, Pennsylvania allocates 90 percent of its trauma care fund to the Level I and Level II facilities. The remaining 10 percent are available to the State's Level III facilities, which may also include trauma rehabilitation facilities.

Many states also identify a portion of funds to cover the general administration of trauma programs. The state can use administration funds to review claims, or providers can use the funds to prepare claims. California uses a portion of the non-service funds for community trauma education programs. In general, this funding is available to designated providers including hospitals, physicians and rehabilitation centers.

Trauma Funding Eligibility for Physicians

In some states, individual physicians are eligible for reimbursement. This is the case when the physicians contract their services to a facility, and provide a financially significant level of trauma service that, if left unpaid, would cause the physician to experience significant financial loss that would not have occurred in a non-trauma setting. In those states that make trauma funding available to physicians, payment is generally only made available to those physicians who have specialized skills that are used at a disproportionately high rate for trauma cases as compared to other acute medical situations, for example: trauma surgeons, orthopedic surgeons, neurosurgeons, anesthesiologists and oral surgeons.

The following table provides an overview of the different provider groups that states have targeted for receipt of trauma care funds.

Table IV.1: Trauma Funding Eligibility Overview

State	Trauma Level I	Trauma Level II	Trauma Level III	Trauma Level IV	Physicians	Administration & Other Activities
California	✓	✓	✓			✓
Illinois	✓	✓				
Maryland	✓	✓	✓	✓		✓
Pennsylvania	✓	✓	✓			
Texas	✓	✓	✓			
Mississippi	✓	✓	✓	✓	✓	
Washington	✓	✓	✓		✓	

Trauma Fund Administration and Distribution

Most of the states we studied maintain their trauma care funds in their State Treasuries. These states administer funds to each qualifying provider in the state through the Department of Health (or equivalent agency). Within that agency, many states have a division dedicated to emergency and trauma services that manages the Trauma Fund.

Generally, states distribute funds to a regional agency, who then make disbursements to providers. For example, Mississippi has seven trauma care regions, each of which contains four to twenty counties. The Mississippi State Department of Health, Office of Emergency Planning

and Response, distributes funds to the Region Trauma Care Agency, which then makes payments to providers.

States vary in regards to how frequently they distribute funds. Illinois, for example, distributes its funds quarterly, while Pennsylvania distributes funds annually.

Sources of Trauma Program Funding

States use both state, local and federal funds to support their trauma programs. The following table shows how different funds can be raised through fines or taxes to the general public. These sources of funding may also be used for catastrophic care programs.

Table IV.3: Trauma Funding from the General Public

Source	Description
Traffic Violations	States add additional fines ranging from \$5 to \$200 to traffic violation fines. Some states increase or add fines for serious infractions, including driving under the influence (DUI), reckless driving, speeding and improper use of safety belts. ¹
Car and Driver Fees	States add and assess additional fees on driver and vehicle licenses ranging from \$1 to \$10. ²
Taxes	States use a variety of taxes, including property, tobacco and alcohol taxes to supplement their trauma funds.
Civil and Criminal Fines	States may impose additional fines on criminal and civil crimes that are likely to cause traumatic injury.

As shown in the table below, some states may use a combination of the funding methods discussed above. For example, California relies on traffic and legal fines and taxes to fund its trauma care pool. One-half of the states we researched use traffic and legal fines to fund trauma care services. While many states like California use traffic fines to fund trauma care costs, Wyoming’s current state statute indicates that any funds raised on transportation violations and registrations may be used for the maintenance and organization of public roads and highways.

¹ National Conference of State Legislatures. Available online: <http://www.ncsl.org/programs/health/traumafund.htm>.

² Ibid.

Table IV.4: Common Methods for Funding Trauma Care Services

State	Traffic & Legal Fines	Car & Driver Charges	Taxes	State Funds
California	✓		✓	
Illinois	✓			✓
Maryland		✓	✓	
Pennsylvania	✓			✓
Texas			✓	✓
Mississippi	✓		✓	
Washington	✓	✓		✓

States also use state and federal funding for trauma care, as illustrated in the table below.

Table IV.5: Government Trauma Funding

Source	Description
Tobacco Settlements	A number of states use the funds and interest earned from tobacco lawsuit settlements to help finance their trauma care systems.
Federal Medicaid Fund	Washington provides supplemental payments for trauma services provided to Medicaid clients for Level I, II, or III trauma service facilities. These facilities receive Medicaid payments based on the relative amount of trauma care provided per quarter to Medicaid recipients.
Block Grants	Block grants are made available by both state and federal agencies. Most grants are specifically designated for emergency and trauma program research, improvement, expansion and implementation.
State Funding	A number of states designate a portion of the state budget specifically for the development, implementation and maintenance of their trauma programs. State funding ranges from \$5 million to \$25 million.

Additional federal funding may be available in the future; the TRAUMA Act of 2004, which has not yet been passed, is a national bill developed to improve trauma care by allowing certain administrators greater flexibility and access to resources in order to develop research studies through federal grants. This Act would provide additional funding to States to improve access and enhance the development of their trauma care systems.

WHCC: Unreimbursed Catastrophic and Trauma Care Study

The following exhibit describes some general features of trauma programs for the states we have researched, including fund administration.

Exhibit IV.1 Comparison of Different State Trauma Programs

State	Funding Sources	Total Fund Pool	Eligibility Requirements	Payment Methodology	Fund Administration
California	Traffic fines, property tax, state general fund	\$25 M FY 2002-2003	Certified Trauma Centers Levels I, II and III	Level I-II \$150,000 minimum Level III \$50,000 minimum Any facility with costs exceeding the minimum payment may then be awarded additional funds if available to cover outstanding costs, plus 1 percent of the total payment for administrative costs.	Department of Health
Illinois	Traffic fines, civil fines, federal match	\$13 M FY 2002	Certified Trauma Centers Levels I and II	50 percent of total fund proportionately to providers; the remaining 50 percent is distributed proportionately by dividing a Hospital Distribution Factor by a Regional Distribution Factor.	Department of Health
Maryland	Vehicle registration fee, traffic fines, block grants	Varies	Certified Trauma Centers Levels I to IV and Physicians	Grants awarded to centers based on need; fines and fees pooled for emergency services	The Maryland Institute for Emergency Medical Services Systems
Washington	Traffic fines, vehicle registration, state funds, federal match	\$32 M SFYs 2002-2003	Certified Trauma Centers Levels I, II and III and Physicians	Funds paid proportionately based on injury index system	Department of Health – Office of EMS and Trauma Prevention

Exhibit IV.1: Comparison of Different State Trauma Programs, continued

State	Funding Sources	Total Fund Pool	Eligibility Requirements	Payment Methodology	Fund Administration
Pennsylvania	Traffic fines, criminal fines	Varies; 75 percent trauma funds, 25 percent catastrophic care funds	Certified Trauma Centers Levels I, II and III	Of the total Medicaid disproportional share hospital payment funds allocated to trauma care, the state pays 90 percent to Level I and II trauma centers; the state pays the remaining 10 percent to Level III trauma centers. For all levels, the state divides 50 percent of the total funds equally among providers and divides the remaining 50 percent proportionally based on number of trauma patients and outstanding costs not covered by the lump sum distribution.	Department of Public Welfare
Florida	Sales tax, additional surcharges to all traffic fines	\$18.4 M FYs 2002-2003	Certified Trauma Centers Level I and II, and Pediatric Referral Trauma Center	Funds distributed proportionately to the level of uncompensated care by service areas	Department of Health

Catastrophic Care Funding

Our research indicated that very few states have established catastrophic care funds. Of the states that do have catastrophic care funds, states may disburse these funds to providers, insurers, or on behalf of patients for expenses exceeding a certain amount, generally more than \$10,000. Albany County, New York is operating a pilot catastrophic care program in which clients may be reimbursed directly for medical fees they have already paid when certain conditions are met. Most states with a catastrophic care program that we surveyed are reimbursing providers, insurers and patients on a per discharge basis. New Mexico, New York and Idaho all reimburse providers or patients based on charges per discharge. Michigan and the Federal Indian Catastrophic Health Emergency Fund reimburse insurers and patients based on costs per discharge.

The table on the following page provides examples of states’ catastrophic care programs.

Table IV.2: Comparison of Different States' Catastrophic Care Programs

State (or Program)	Program Description
New Mexico	Reimbursement to hospitals is available for patients with unreimbursed charges exceeding \$5,000 who 1) are state residents, 2) are not eligible for Medicaid or Medicare and 3) have a family income less than 250 percent federal poverty level. The state funds the program with income earned on other general state funds.
Michigan	Reimbursement to insurers from a private fund available only to victims of car accidents whose medical costs exceed \$350,000. The state funds the programs with car insurance premiums.
Pennsylvania	Twenty-five percent of the state's total trauma and catastrophic care fund is dedicated to catastrophic care. This program provides payments to trauma victims to purchase medical, rehabilitation and attendant care services when all alternative financial resources have been exhausted.
New York (Albany County)	State-funded pilot project; reimbursement made to patients or providers; available to Albany County residents who 1) are not eligible for Medicaid, 2) reside in the County on January 1 of the year of service and 3) have medical expenses exceeding 50 percent of the difference between annual adjusted household income and 100 percent federal poverty level for household size.
Alaska	Reimbursement to residents who 1) do not qualify for Medicaid, 2) are in need of immediate medical assistance and 3) do not have access to other public or private funding and 4) have monthly income <\$300 and resource limits <\$500. The state has established a general fund through its Chronic Acute Medical Assistance Program. The state caps funding annually.
Idaho	Reimbursement is available for medically indigent patients who 1) do not qualify for State or Federal programs, 2) qualify for County assistance programs and 3) incur medical charges exceeding \$10,000 in any 12-month period. Counties are responsible for the first \$10,000 in medical charges; this is reduced to \$5,000 where the illness being treated is caused in part or whole by tobacco or exposure thereto. The state has established the Catastrophic Fund as a portion of the Millennium Fund, which consists of all moneys the settlement agreement reached with tobacco companies. In SFY 2001 the catastrophic care fund received \$1.15 million in reimbursement.
Federal Indian Catastrophic Health Emergency Fund	The Catastrophic Health Emergency Fund is available to citizens qualifying as Indians under United States Code Title 25. The program is federally funded and is available for extraordinary medical costs amounting to at least \$15,000 for victims of disaster and/or catastrophe and will be adjusted according to the Consumer Price Index. The fund is capped annually and when the budget is exhausted, high cost cases are no longer reimbursed.

Summary

While trauma care is recognized at local, state and federal levels, our research reveals that very few states have defined catastrophic care programs. A review of these programs provides the following key points for consideration:

- Lump sum funding distributions throughout the year are common approach and help reduce state administrative burden.
- Fines and taxes, particularly related to activities that are associated with trauma care (e.g., traffic violation) are the most common way to fund trauma care programs.
- Catastrophic care programs often target funding to low-income populations.
- Federal funding is generally available for the administration and coordination of trauma care as opposed to the cost of specific patient services.

In this section we have described various state and federal approaches for trauma and catastrophic care funding, distribution and administration. In Section 6 we will elaborate on which state experiences may be an option for Wyoming.