

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/CS/SB 696

SPONSOR: Appropriations Subcommittee on Health and Human Services; Health, Aging, and Long-Term Care Committee and Senator Saunders

SUBJECT: Indigent Health Care

DATE: April 22, 2003

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Munroe	Wilson	HC	Fav/CS
2.	Herrin	Yeatman	CP	Favorable
3.			BI	Withdrawn
4.	Peters	Belcher	AHS	Fav/CS
5.			AP	
6.				

## I. Summary:

The bill requires certain counties to participate in supporting a regionalized system of trauma care which provides reimbursement to hospitals that are trauma centers for uninsured or underinsured inpatients with primary or secondary diagnoses of DRG 484-487. Payment levels may not exceed the statewide average cost per trauma patient in each level of an approved trauma center and initial payment rates, subject to annual updates by the Agency for Health Care Administration, are specified. Criteria are specified for designating a county as responsible for payment of uncompensated trauma care provided to indigent county residents providing for exemptions. Criteria for verification of county residency at the time of hospitalization are also specified. Each county must pay the amount as determined by Agency into the Medicaid Grants and Donations Trust Fund, and is to be used for special Medicaid payments to state-approved trauma centers.

This bill creates section 154. 317, Florida Statutes.

## II. Present Situation:

### Trauma Care

Part II, ch. 395, F.S., regulates trauma centers in Florida and provides for the establishment of a state trauma system plan by the Department of Health.

Section 395.401, F.S., authorizes the Department of Health to recognize certain entities to operate as local or regional trauma agencies. The role of a trauma agency is to plan, implement, and evaluate an organized response, transportation, and in-hospital care system for individuals who have sustained traumatic injuries. This section provides definitions for terms used in part II,

ch. 395, F.S., trauma center verification, and minimum requirements for a local or regional trauma agency plan. Trauma agency plans must be updated and submitted annually for approval by the department. There are currently four trauma agencies in the state, providing services to 14 counties.

There are three types of trauma centers in Florida. Level I trauma centers provide both trauma and pediatric trauma services. They also maintain research and education programs for the enhancement of trauma care. Level II trauma centers are not required to provide pediatric trauma care. The third type of trauma center in Florida is a pediatric trauma center, which provides pediatric trauma care. Pursuant to s. 395.4025, F.S., there are 20 state-approved trauma centers in Florida. Trauma centers treat individuals who have incurred a single or multisystem injury due to blunt or penetrating means or burns and who require immediate medical intervention or treatment.

The Department of Health is required, pursuant to part II, chapter 395, F.S., to establish a state trauma system plan. The plan divides the state into trauma regions, which serve as the basis for the development of department-approved local or regional trauma plans. The plan also outlines procedures for establishing protocols for transporting victims to the appropriate trauma center. The plan is intended to help ensure that all Floridians have access to trauma care services.

### **Diagnosis-Related Groups(DRGs)**

Diagnosis-related groups are used as part of the prospective payment system for medical services under the federal Medicare program. Each discharge is classified under one of over 500 diagnosis-related groups (DRGs) that group clinically-similar patients requiring similar amounts of hospital resources. Diagnosis-related groups 484-487 concern significant trauma and are:

- 484 24 surg craniotomy for multiple significant trauma
- 485 24 surg limb reattachment, hip and femur proc for multiple significant trauma
- 486 24 surg other o.r. procedures for multiple significant trauma
- 487 24 med other multiple significant trauma

### **III. Effect of Proposed Changes:**

**Section 1** creates s. 154.317, F.S., to require counties to participate in supporting a regionalized system of trauma care which provides reimbursement to hospitals that are approved trauma centers. The financial responsibility must be limited to uninsured or underinsured inpatients with primary or secondary diagnoses of DRG 484-487. The term, “underinsured” means insurance coverage for a person who is an inpatient, which insurance is inadequate to cover the cost of that patient’s care. Payment levels may not exceed the statewide average cost per trauma patient in each level of an approved trauma center. Initial payment rates, subject to annual updates by the Agency for Health Care Administration, are: for Level I, \$14,000 per trauma patient; for Level II, \$9,000 per trauma patient; for Pediatric, \$6,000 per trauma patient.

Counties must be designated responsible for payment if the county of residence has unspent funds under the Florida Health Care Responsibility Act at the end of the fiscal year in which the hospitalization occurred.

The responsible county is exempt based on the following criteria:

- population is fewer than 30,000 and the residents with incomes below the poverty level exceeds 20 percent;
- property tax rate, including special districts and municipal service taxes, of the county equals or exceeds 10 mills; or
- the responsibility county is currently contributing to the financial support of a regional trauma system through direct funding of trauma care, tax district support for hospitals in the county designated as trauma centers, or under the terms of an intergovernmental agreement with other counties in the trauma region or a written agreement with the nearest trauma center.

Verification of residence in a county at the time of hospitalization is determined by: current active driver license; mortgage, lease, or rental receipt or letter from a landlord; water, electric, or other public utility bill in the name of the patient or a family member at a residential address within the county; a state, county, or federal document mailed to the patient at a residential address within the county; vehicle registration in the name of the patient or a family member at a residential address within the county; voter registration; or proof of children enrolled in public schools within the county.

Each county shall pay the amount specified as determined by the Agency into the Medicaid Grants and Donations Trust Fund. These funds shall be used in special Medicaid payments to enhance the public funds available for federal matching purposes. The total special Medicaid payments funded by these county payments shall be paid to state-approved trauma centers and shall be distributed in accordance with the General Appropriations Act or other legislation related to appropriations.

**Section 2** provides the bill is effective July 1, 2003.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

To the extent the bill increases the financial obligation that counties to participate in supporting a regionalized system of trauma care which provides reimbursement to hospitals that are approved trauma centers for uninsured or underinsured inpatients with primary or secondary diagnoses of DRG 484-487, the bill could constitute a mandate as defined in Article VII, s. 18(a) of the State Constitution for which no funding source is provided to such political subdivisions.

No county or municipality shall be bound by any general law requiring such county or municipality to spend funds or to take an action requiring the expenditure of funds unless the Legislature has determined that such law fulfills an important state interest and unless: funds have been appropriated that have been estimated at the time of enactment to be sufficient to fund such expenditure; the Legislature authorizes or has authorized a county or municipality to enact a funding source not available for such county or municipality on February 1, 1989

...and the law requiring such expenditure is approved by two-thirds of the membership of each house of the Legislature...<sup>1</sup>

For purposes of legislative application of Article VII, s. 18(a) of the State Constitution, the term “insignificant” has been defined, as a matter of legislative policy, as an amount not greater than the average statewide population for the applicable fiscal year times ten cents. Based on the 2000 census, a bill that would have a statewide fiscal impact on counties and municipalities in aggregate of or in excess of \$1,598,238 would be characterized as a mandate.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:**

**A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Trauma centers may receive increased reimbursement for care of uninsured or underinsured patients.

**C. Government Sector Impact:**

Counties that are not currently participating in funding trauma center care or that are not otherwise exempt will incur costs. The Agency for Health Care Administration reports that the actual amount cannot be determined because the fiscal impact will be determined primarily by population growth.

The Agency for Health Care Administration may incur costs to revise its administrative rules to implement the bill and such costs should be minimal.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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<sup>1</sup> Art. VII, s. 18(a), Fla. Const.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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