

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: SB 1806

SPONSOR: Senator Atwater

SUBJECT: Reimbursement for Trauma Center Services

DATE: February 26, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Munroe	Wilson	HC	Favorable
2.			AHS	
3.			AP	
4.				
5.				
6.				

I. Summary:

The bill revises legislative findings regarding the inadequate compensation that hospitals which provide services to trauma victims receive for such treatment to include physicians and health care professionals who also provide services to trauma victims. The bill requires a state-sponsored trauma center to include the cost of medically necessary services rendered by physicians and other health care professionals to eligible patients at the trauma center in each claim that the trauma center submits. For any such claims submitted, the trauma center must pay the physicians and health care professionals the amount that is paid by the State of Florida for the services of the physicians and health care professionals under those claims.

This bill amends section 395.403, Florida Statutes.

II. Present Situation:

Trauma Care

Part II, chapter 395, F.S., governs trauma services and trauma center operations in Florida. There are twenty state-approved trauma centers in the state. The Department of Health (DOH) regulates trauma centers and has developed minimum standards for trauma centers based on national trauma standards. The department also has statutory authority to develop an inclusive trauma system to meet the needs of all injured trauma victims which is accomplished through the development of a state trauma system plan and coordination with local trauma agencies. There are four county and multi-county local trauma agencies approved by DOH. In areas where local or regional agencies have not been formed, DOH is responsible for developing regional trauma system plans.

Section 395.4001, F.S., defines various types of trauma centers. A "Level I trauma center" is defined to mean a trauma center that:

- Has formal research and education programs for the enhancement of trauma care and is determined by the department to be in substantial compliance with Level I trauma center and pediatric trauma referral center standards.
- Serves as a resource facility to Level II trauma centers, pediatric trauma referral centers, and general hospitals through shared outreach, education, and quality improvement activities.
- Participates in an inclusive system of trauma care, including providing leadership, system evaluation, and quality improvement activities.

A "Level II trauma center" is defined to mean a trauma center that:

- Is determined by the department to be in substantial compliance with Level II trauma center standards.
- Serves as a resource facility to general hospitals through shared outreach, education, and quality improvement activities.
- Participates in an inclusive system of trauma care.

A "Pediatric trauma referral center" is defined to mean a hospital that is determined by the department to be in substantial compliance with pediatric trauma referral center standards as established by rule of the department.

Part II, chapter 395, F. S., places legislative emphasis on the need for an inclusive trauma system which provides Floridians and visitors timely access to trauma care. Trauma standards and procedures are based on the "golden hour" principle, which is the optimal timeframe for the delivery of services to trauma victims. DOH has the primary responsibility for the oversight, planning, monitoring and establishment of a statewide inclusive trauma system. There are six Level I trauma centers that are also pediatric trauma centers, thirteen Level II trauma centers, of which five are also pediatric centers, and one pediatric trauma center. Nineteen trauma service areas have been designated in Florida to facilitate trauma planning.

Reimbursement of Trauma Care

Section 395.403, F.S., expresses legislative findings that many hospitals which provide services to trauma victims are not adequately compensated for such treatment and that current verified trauma centers are providing such services without adequate reimbursement. This section expresses legislative intent to provide financial support to the current verified trauma centers and to establish a system of state-sponsored trauma centers as soon as feasibly possible.

Section 395.403, F.S., outlines an elaborate funding formula based on the provision of charity or uncompensated care by trauma centers. Section 395.403(2), F.S., states that trauma centers shall be considered state-sponsored trauma centers when state funds are specifically appropriated for state-sponsored trauma centers in the General Appropriations Act.

For the past three years the funding for trauma care beyond the normal reimbursements from Medicaid, other third party payers, and private payers has come from the Medicaid program in the form of special nonrecurring Medicaid payments under the Upper Payment Limit Program.

The Medicaid Hospital Upper Payment Limit Program provides a mechanism for states to make special Medicaid payments to compensate participating hospitals in ways to make up the difference between Medicaid and Medicare or usual and customary fees. States have used a variety of non-federal funding sources for the state match, usually local funds, to draw down additional federal funds. In the last three years \$44 million in Medicaid payments have been made for trauma care through the Upper Payment Limit Program.

The Medicaid Program staff also estimates that \$97.7 million was paid during 2002 in fee-for-service payments for trauma-related diagnoses. Prior to 1998, there was no specific funding for trauma centers. Earlier efforts in 1990-91 by the Legislature to implement s. 395.403, F.S., which provides a funding formula to reimburse trauma centers for charity care, were stymied because of a budgetary shortfall. The resources appropriated were cut from the state budget. The elaborate funding formula based on the provision of charity care by trauma centers outlined in s. 395.403, F.S., has not been implemented.¹

HISTORY OF STATE APPROPRIATIONS FOR TRAUMA CARE			
Fiscal Year	Department of Health	Agency for Health Care Administration	Comments - Total
1990-1991			\$24 million appropriated but later eliminated by legislative action.
1998-1999	\$2,500,000		Level I Centers only
1999-2000	\$3,000,000		Level I Centers only
2000-2001	\$4,800,000		All Centers
2001-2002	\$1,622,601	\$15,000,000	All Centers
2002-2003		\$18,000,000	All Centers
2003-2004		\$11,610,000	All Centers
TOTAL	\$ 11,922,601	\$44,610,000	\$56,532,601

Source: Florida Senate Interim Project 2004-108

III. Effect of Proposed Changes:

Section 1. Amends s. 395.403, F.S., relating to the reimbursement of state-sponsored trauma centers, to revise legislative findings regarding the inadequate compensation that hospitals that provide services to trauma victims receive for such treatment to include physicians, and health care professionals who also provide services to trauma victims. The bill requires a state-sponsored trauma center to include the cost of medically necessary services rendered by physicians and other health care professionals to eligible patients at the trauma center in each claim that the trauma center submits. For any such claims submitted, the trauma center must pay the physicians and health care professionals any amount that is paid by the State of Florida for the services of the physicians and health care professionals under those claims.

Section 2. Provides an effective date upon become a law.

¹ For more details see Interim Project 2004-108 by Florida Senate Committee on Appropriations, November 2003, cited at <http://www.flsenate.gov/data/Publications/2004/Senate/reports/interim_reports/pdf/2004-108ahs.pdf>.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, s. 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, s. 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

There are currently no state-sponsored trauma centers, since the Legislature has not provided a specific appropriation for state-approved trauma centers under s. 395.403, F.S.

VIII. Amendments:

None.