Trauma Fund Report
2016 Appropriation Act, Item 284

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

August 1, 2016

Background

In 2006 Virginia's Trauma Center Fund was established in Section 18.2-270.01 of the *Code of Virginia (Code).* The Trauma Center Fund collects fees associated with the reinstatement of driver's licenses and convictions for driving a motor vehicle under the influence of a substance or alcohol.

The 2016 Appropriation Act requires the State Health Commissioner to review current funding provided to trauma centers to offset uncompensated care losses, report on feasible long-term financing mechanisms, and examine and identify potential funding sources on the federal, state, and local levels that may be available to Virginia's trauma centers to support the system's capacity to provide quality trauma services to Virginia citizens.

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.

Trauma patients are those patients with severe, multisystem injuries that require complex critical care. 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 multiple isolated injuries. For example, a trauma patient with multiple serious injuries to his chest, abdomen, and upper leg would be reimbursed for the treatment of three isolated injuries. This approach to reimbursement does not account for the physiological effects caused by multisystem trauma and the coordination of care that must occur.

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 cost of 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. These costs are usually cross-subsidized by other initiatives or else trauma center services are eventually abandoned.

Use of Trauma Center Fund

The *Code* directs use of the Trauma Center Fund to defray the costs of providing emergency medical care to victims of automobile accidents attributable to alcohol or drug use. The amounts

of funds awarded are based on the trauma center's uncompensated costs to provide this emergency trauma care. Table 1 below summarizes the funding provided to each designated trauma center in CY15.

Table 1. Trauma Center Funding by Trauma Center

Trauma Center Name & Level of Designation	Total Funds Received for CY15
Level I Trauma Center Designation	
Inova Fairfax Hospital	**$ 1,502,819.75**
Carilion Roanoke Memorial Hospital	**$ 1,256,256.81**
Sentara Norfolk General Hospital	**$ 1,167,041.11**
UVA Health System	**$ 1,140,340.62**
VCU Health Systems	**$ 2,468,441.01**
Level II Trauma Center Designation	
Centra Lynchburg General Hospital	**$ 295,324.07**
Chippenham Medical Center	**$226,031.43**
Mary Washington Hospital	**$466496.95**
Riverside Regional Medical Center	**$496,335.36**
Winchester Medical Center	**$378,549.56**
Level III Trauma Center Designation	
Carilion New River Valley Medical Center	**$123,294.01**
Johnston Willis Medical Center	**$65,336.68**
Lewis Gale Hospital - Montgomery	**$120,189.83**
Southside Regional Medical Center	**$258,059.66**
Virginia Beach General Hospital	**$325,297.96**

Source: Office of Emergency Medical Services Staff

The level of readiness required of a trauma designated hospital is unparalleled by other disciplines. The Trauma Center Fund Disbursement Policy focuses on the readiness costs incurred by hospitals specifically due to being designated as a trauma center as illustrated in Table 2. The Virginia Department of Health's Office of Emergency Medical Services (VDH/OEMS) annually engages with the Trauma System Oversight and Management Committee of the State Emergency Medical Services Advisory Board to review the Trauma Center Fund Distribution Policy. Working with system stakeholders, the goal is to assure that utilization of funds remains relevant to current needs and addresses areas of deficiencies found during the trauma center designation process. This approach typically results in actual changes occurring triennially.

Table 2. Utilization of Trauma Funds by Category

Category	Total Funds Used	Percentage*
Support extensive trauma related training to staffs	$600,361.68	6.0%
Support a trauma specific comprehensive PI program	$471,256.59	5.0%
Support injury prevention/community outreach	$537,930.48	5.2%
Support for outreach program(s)	$108,710.04	1.1%
Support for trauma related research	$309,302.20	3.0%
Procure trauma specific patient care equipment	$318,925.76	3.1%
Renovation(s) of physical structures to benefit trauma care	$51,000.00	.05%
Support an administrative infrastructure	$4,152,207.45	40.4%
Support higher staffing levels	$3,460,382.45	34.0%

*CY 2015 Expenditures were less than total trauma fund payments received
Source: Office of Emergency Medical Services Staff

Feasible Long Term Financing Mechanisms

VDH/OEMS has identified no new sources of funding for Virginia's trauma system. The only source of funding dedicated to Virginia's trauma system continues to be the Trauma Center Fund. The recent Trauma System Consultation by the American College of Surgeons (ACS) Committee on Trauma noted that the Commonwealth of Virginia is very fortunate to have dedicated funding to support trauma centers, EMS regional councils, and the state trauma system infrastructure. The ACS consultants did recommend that the trauma system start collecting and reporting on the cost of care or charges associated with the care of injured patients. They recommended adding data fields to the trauma registry to report the payer sources and charges for care and preparing regular reports on the costs of providing trauma care and supporting a trauma system and trauma care in Virginia.

While Section 3505 of the Affordable Care Act does authorize the appropriation of $100 million to trauma centers and an additional $100 million to support state trauma systems, funds have not been appropriated to date at the federal level for trauma center and system support. Section 3505 came about through strong advocacy by state trauma system stakeholders and national associations. Section 3505 recognizes that hospitals designated as trauma centers incur additional costs due to both a higher ratio of uninsured or underinsured 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 the opportunities for 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 supports efforts for identifying increased trauma funding sources.