

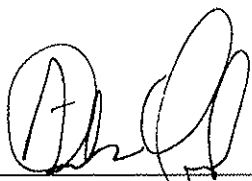
**Resolution of the Board of Directors in Support of Trauma Care Funding**

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The Greater Houston Partnership continues to support legislation resulting in the appropriation of the full balance of funds accumulated in the Designated Trauma Facility (DTF) and Emergency Medical Services (EMS) Account, or General Revenue-Dedicated Account No. 5111, and its immediate distribution for purposes of enhancing the State of Texas' trauma network.

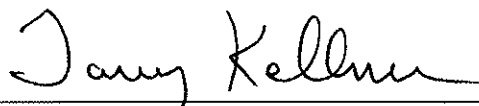
The Greater Houston Partnership acknowledges that trauma centers are financially vulnerable because, in their role of providing critical care services to a community, they treat a disproportionate share of uninsured and underinsured patients.

The Greater Houston Partnership urges lawmakers to support the appropriation of these funds to relieve the burden currently being borne by the area Level I trauma centers and the area trauma network.



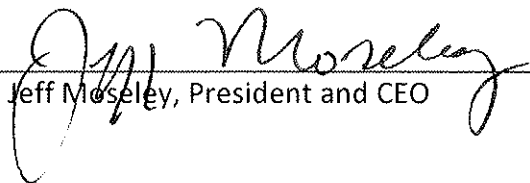
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Patrick Oxford, Chairman



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Larry Kellner, Secretary



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Jeff Moseley, President and CEO

## MEMORANDUM

**DATE:** October 6, 2010

**TO:** Greater Houston Partnership Board of Directors

**FROM:** Randy P. Giles, Chairman  
Health Care Policy Advisory Committee

**SUBJECT:** Resolution of the Board of Directors In Support of Trauma Care Funding

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### RECOMMENDATION

The Greater Houston Partnership continues to support legislation resulting in the appropriation of the full balance of funds accumulated in the Designated Trauma Facility (DTF) and Emergency Medical Services (EMS) Account, or General Revenue-Dedicated Account No. 5111, and its immediate distribution for purposes of enhancing the State of Texas' trauma network.

The Greater Houston Partnership acknowledges that trauma centers are financially vulnerable because, in their role of providing critical care services to a community, they treat a disproportionate share of uninsured and underinsured patients.

The Greater Houston Partnership urges lawmakers to support the appropriation of these funds to relieve the burden currently being borne by the area Level I trauma centers and the area trauma network.

### BACKGROUND

The greater Houston region has an overburdened trauma system. The American College of Surgeons Committee on Trauma recommends one Level I trauma center for every one million residents in a region. In July 2009, Harris County had population of 4 million and the 13-county Houston-Galveston planning region had 6 million. Yet, there are only two Level I trauma centers in the 10-county Houston MSA – Ben Taub General Hospital, a facility of the Harris County Hospital District, and Memorial Hermann Hospital - Texas Medical Center. Based on recommended standards, there should be an appropriate number and geographic distribution of trauma centers necessary to meet the needs of the region.

According to the Department of State Health Services (DSHS), 30 Texans die every day and 10,000 Texans die every year from injuries. Trauma is the leading cause of death in individuals 44 years old and younger. Moreover, for every one fatality, there are six serious injuries.

Trauma centers are financially vulnerable because, in their role of providing critical care services to a community, they treat a disproportionate share of uninsured and underinsured patients.

In 1989, the Texas Legislature mandated the creation of a regionalized trauma system throughout the state. Texas was divided into 22 trauma service areas, each to be served by a Regional Advisory Council charged with formulating and organizing local systems for delivering care to injured citizens. In 1993, the SouthEast Texas Regional Advisory Council was organized to improve the identification, transportation, and management of injury victims. The Council designated 19 trauma centers, categorized as level I, II, III or IV, in the Houston region. In 1997, Texas legislators passed Senate Bill #102 to provide funding for trauma system development.<sup>1</sup>

In 2003, the 78<sup>th</sup> Texas Legislature passed House Bill 3588 establishing the Driver Responsibility Program (DRP) for authorizing reimbursement to designated trauma facilities for a portion of their costs related to providing uncompensated trauma care. Funding is garnered through increased fines/surcharges on motor vehicle violations and penalizing habitually bad drivers, thus linking a major cause of trauma with the funding of trauma care.

This legislation amends the Texas Health and Safety Code and authorizes DSHS to distribute up to 96 percent of funds in the DTF/EMS Account (3588 monies/Account 5111). Surcharges collected by DRP, which total approximately \$200 million each year, are divided evenly and deposited into the DRF/EMS Account and the Texas Mobility Fund for financing the construction, reconstruction, acquisition and expansion of state highways.<sup>2</sup> To receive any reimbursement for uncompensated trauma care from these funds, a hospital must be designated as state trauma facility or meet “in active pursuit” requirements.

Since its inception in 2003, the Office of EMS and Trauma Systems Coordination distributed \$309 million from DTF/EMS to 250 eligible Texas hospitals, though Texas hospitals spent \$208 million treating uninsured trauma patients in its inception year alone.<sup>3</sup> In fiscal year 2008, \$52 million of the available \$220.1 million were disbursed to hospitals and \$168.1 million remains undisbursed. In addition, DSHS projects growing ending balances of undisbursed funds in 2009, 2010 and 2100—\$216.7, \$265.9 and \$338.3 million for each year respectively.<sup>4</sup> The Texas Legislature gave DSHS \$75 million per year for fiscal years 2010 and 2011 in funding from the Driver Responsibility Program.<sup>5</sup>

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<sup>1</sup> Southeast Texas Regional Advisory Council website. <http://www.settrac.org/id4.html> Accessed August 24, 2010.

<sup>2</sup> *Bleeding Money: Texas Trauma Center Funding is in Jeopardy.* “TexasMedicine.” July 2010. <http://www.texmed.org/Template.aspx?id=8791#trauma>. Accessed July 22, 2010.

<sup>3</sup> Ibid.

<sup>4</sup> Texas Department of State Health Services/Division of Regulatory Services/July 2008 *Account 5111 Trauma Facility and EMS Account Summary.*

<sup>5</sup> *Bleeding Money: Texas Trauma Center Funding is in Jeopardy.* “TexasMedicine.” July 2010. <http://www.texmed.org/Template.aspx?id=8791#trauma>. Accessed July 22, 2010.

According to the Texas EMS and Acute Care Foundation, the 81st Texas Legislature appropriated an estimated \$75 million to designated trauma facilities, EMS and trauma service area Regional Advisory Councils for each year of the current biennium from the DTF/EMS Account. However, more than \$300 million remains un-appropriated in the dedicated account. It is estimated that as a result of state budget cuts, the total distribution will reduce by \$5 million during the 2009-2010 fiscal year.

Additionally, Texas Health and Safety Code authorizes DSHS to use at least 27 percent of funds from the Emergency Medical Services and Trauma Care System Account (911 Monies) and Emergency Medical Services, Trauma Facilities and Trauma Care System Fund (1131 Monies) to fund a portion of uncompensated care provided at hospitals designated as state trauma facilities.

#### **LEGISLATION NEEDED**

The Greater Houston Partnership requests legislative initiatives which require timely appropriation and distribution of all authorized uncompensated trauma and emergency health care funds to trauma centers designated by the Southeast Texas Trauma Regional Advisory Council.

#### **FISCAL IMPACT**

General Revenue-Dedicated Account No. 5111, Trauma Fund and EMS is projected to generate approximately \$125 million per year of the biennium and is projected to have accumulated more than \$350 million by the end of the current state fiscal year. The 2009 Texas Legislature appropriated only \$75 million per year for fiscal years 2010 and 2011 for the purpose for which the fund was created in 2003, leaving a significant fund balance, which could be immediately distributed to trauma centers throughout the State of Texas.

#### **KNOWN OPPOSITION:**

There is no known opposition to this initiative.

#### **RESOURCES REQUIRED:**

This recommendation can be implemented with available Greater Houston Partnership staff and within current operating budget resources.