

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 786

PRINTER NO. 2187

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

March 12, 2019

PRIME SPONSOR

Representative Cutler

DESCRIPTION AND PURPOSE OF BILL

House Bill 786 amends emergency medical services system provisions in Title 35 (Health and Safety) to add accreditation standards for trauma centers and repeals Human Services Code provisions pertaining to trauma centers.

House Bill 786 adds a definition of a "catchment area", "comprehensive emergency services", "Trauma care", and "Travel distance".

The bill requires that both Level I and Level II adult trauma centers treat at least 600 severe and urgent cases in order to meet the minimum standards for reaccreditation.

The bill establishes accreditation standards for Level III trauma centers to include:

- Current guidelines defined by the American College of Surgeons for Level III trauma centers;
- Provide comprehensive emergency services;
- Total at least 4,000 annual inpatient admissions from its emergency department;
- Be located in a third, fourth, fifth, sixth, seventh or eighth class county. This requirement does not apply to Level III trauma centers accredited prior to the effective date of the act; and
- Be located more than 25 miles of travel distance from a Level I, Level II or Level III trauma center.

The bill requires Level III trauma center applicants to submit an application to the Pennsylvania Trauma Systems Foundation ("foundation"). The foundation must complete its review of the application within 120 days of receipt. No later than 240 days of completion of the site survey, the foundation shall grant or deny a certificate to a hospital seeking to be accredited as a Level III trauma center.

The bill stipulates that all hospitals submitting an application for Level I, Level II or Level III accreditation after the effective date of the act, must be located more than 25 miles of travel distance from an established Level I, Level II, or Level III trauma center. If a trauma center is accredited before the effective date and the accreditation is denied or voluntarily withdrawn, the trauma center shall be subject to the travel distance requirement under this act.

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House Bill 786 provides the following exceptions to the travel requirements:

- For a trauma center which is being relocated;
- For a trauma center which is part of a merger or acquisition; and
- For a trauma center within a catchment area that has a volume of excess cases above the volume required for reaccreditation that is twice the amount required for reaccreditation.

The bill requires the foundation to submit a list of accredited Level I, II, III and IV trauma centers to the Department of Human Services (“department”) annually, with updates as necessary.

The bill requires the department to annually distribute available funds appropriated for supplemental payments to each accredited Level I or Level II trauma center or each Level III trauma center. A hospital seeking Level III accreditation may also be eligible. Further requires the department to seek to maximize federal funds.

The bill provides for the payment calculation and allocations from funds appropriated for supplemental payments.

Allocations:

- 90% of the funds shall be allocated to Level I and Level II trauma centers;
- 10% of the funds shall be allocated to Level III trauma centers and hospitals seeking Level III accreditation for up to four years with documented evidence of progression toward accreditation and achievement of benchmarks as verified and established by the foundation; and,
- Any funds not distributed by the end of a fiscal year may be used for funding of Level IV trauma centers in rural counties, as defined by the Center for Rural Pennsylvania, in the next fiscal year using the same formula as for the Level III trauma centers.

Calculations:

- Level I and Level II trauma centers:
 - 50% of total amount available for Level I and Level II will be equally distributed among Level I and Level II; and
 - 50% of total amount available for Level I and Level II will be distributed on the basis of each trauma center’s percentage of medical assistance and uninsured trauma cases and patient day compared to the Statewide total number of medical assistance and uninsured trauma cases and patient days for all Level I and Level II.
- Level III trauma centers and hospitals seeking Level III accreditation:
 - 50% of total amount available for Level III will be equally distributed to Level III; and

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- 50% of total amount available for Level III will be distributed on the basis of each trauma center's percentage of medical assistance and uninsured trauma cases and patient days compared to the Statewide total number of medical assistance and uninsured trauma cases and patient days for all Level III.
- Payments to each qualifying hospital accredited as a Level III may not be greater than 50% of the average Statewide annual payment to a Level I and Level II trauma center.

The bill prohibits any hospital with a Level I or Level II trauma center that is not licensed in Pennsylvania from being eligible for funding.

The bill requires that a hospital which receives funding must notify the department of an anticipated closure no later than 60 days prior to the closure of that trauma center.

The bill provides that the department must submit an annual report to the Senate Health and Human Services Committee and the House Health Committee. The reports shall indicate the facilities which are receiving funds and the number of individuals served.

The bill requires trauma centers to certify that the funds are intended to be used for developing and providing for the availability of and access to trauma care for patients. Trauma centers will provide an expenditure report to the department six months after the end of the fiscal year on how the funds were spent, the amount received and the number of individuals served and how funds improved access to trauma care for patients.

This act shall take effect immediately.

FISCAL IMPACT:

House Bill 786 will have no fiscal impact to the Commonwealth. Funds for Trauma Centers are already appropriated under the Department of Human Services, totaling \$8.7 million from the General Fund in Fiscal Year 2018-19.