

HOUSE BILL REPORT

2SSB 5127

As Reported By House Committee On:
Finance

Title: An act relating to funding trauma care services.

Brief Description: Providing additional funding for trauma care services.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Wojahn, Deccio, Thibaudeau, Wood, Oke, Loveland, Sellar, Snyder, Fairley, Spanel, Sheldon, McCaslin, West, Bauer, Winsley, Goings and Schow).

Brief History:

Committee Activity:

Finance: 4/3/97, 4/7/97 [DPA].

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass as amended. Signed by 14 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Mulliken, Vice Chairman; Dunshee, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Butler; Conway; Kastama; Mason; Morris; Pennington; Schoesler; Thompson and Van Loven.

Minority Report: Do not pass. Signed by 1 member: Representative Boldt.

Staff: Linda Brooks (786-7153).

Background: In 1990, the Legislature passed the Trauma Care Act which set in place a new system for the referral and treatment of traumatically injured patients in the state. The system, which is now operating statewide, was designed to assure that no matter where an injury occurs, nor how serious it is, the patient will get the best possible care in the shortest amount of time. In this state, trauma is the leading cause of death from birth to age 44 and the third leading cause of death for all categories. Nearly 40 percent of all traumatic injuries involve motor vehicle accidents.

The trauma system depends on the cooperation and performance of three key providers in the field: hospitals, physicians, and emergency personnel. One of the key elements of the system is the voluntary participation of hospitals around the state to be designated—trauma care services. This means they are recognized as the only

facilities equipped to treat trauma victims and, thus, the only places where emergency medical personnel may legally bring the severely wounded. There are currently 77 designated trauma care services around the state.

One of the problems identified at the time of enactment of the 1990 legislation was the financial burden assumed by designated trauma services in providing this expensive care for patients who have no insurance. Currently, about 16 percent of trauma patients statewide are uninsured, and 18 percent bill Medicaid.

The 1990 legislation also called for a study to analyze the potential financial shortfall for all players in the trauma care system. The study concluded that for the 1993-95 biennium, reimbursement for uncompensated and under-compensated care for hospitals, emergency services and physicians would be about \$32 to \$38 million. Allowing for inflation, the unfunded amount may be as high as \$42 million for the 1997-99 biennium. If unfunded trauma care costs are shared on a 75 percent/25 percent state-regional basis, the state's share for the 1997-99 biennium would be \$31.5 million.

Court statistics indicate the following number of traffic infractions and offenses for 1995:

- 724,315 traffic infractions,
- 124,211 traffic misdemeanor offenses other than DUI/physical control offenses, and
- 22,520 traffic DUI (driving-under-the-influence) or physical control offenses.

These data reflect only upon persons found to have committed the traffic offense or infraction. Persons whose cases were dismissed or who were judged not to have committed the offenses or infractions are not included. However, the 22,520 figure for DUI/physical control offenders might include some dismissed cases. Dismissed cases and cases where a person has successfully completed the terms of deferred prosecution are aggregated into one summary statistic, making it difficult to identify the actual number of dismissed DUI/physical control cases.

Revenue collected by the courts for traffic infractions is split three ways. The first \$10 from each charge is remitted to the Judicial Information System account. The remaining revenues are roughly split between 57 percent for local government and 43 percent for the state's Public Safety Education Account.

Revenue collected by the courts for traffic offenses, other than DUI/physical control offenses, is split two ways. Approximately 57 percent of the money goes to local government, and 43 percent into the state's Public Safety Education account.

Revenue collected by the courts for traffic offenses other than DUI/physical control cases is split two ways. Sixty-eight percent of the money collected goes to local government, and 32 percent is remitted to the state's Public Safety Education Account.

Summary of Amended Bill: New fees are imposed on persons who commit traffic infractions or offenses as follows:

- \$20 per infraction,
- \$45 per traffic offense other than a DUI/physical control offense, and
- \$75 per DUI/physical control offense.

The courts are to forward revenues from these fees to the state treasurer for deposit into the Emergency Medical Services and Trauma Care System trust account. These fees are independent of other fees, fines, or penalties that may be imposed on persons committing traffic infractions or offenses.

Revenues from new fees on traffic infractions and offenses are to fund a new trauma care grant program. The state will make trauma care grants to the different trauma care regions, with the caveat that state money must be matched by regional money on a 75 percent/25 percent basis.

The Department of Health is also required to conduct a financial study to review trauma care costs within the context of a health care provider's or facility's comprehensive financial situation. Unlike the earlier study which focused exclusively on trauma care, this study will examine costs, charges, actual expenses, and levels of reimbursement associated with *all* services provided by health care facilities. The study will also compare salary and compensation trends for physicians and surgeons providing trauma care to salaries and compensation trends for the state's physicians and surgeons as an entire group. The Speaker of the House and the President of the Senate are to each appoint two members to the study advisory group. The Department of Health may also appoint members of the emergency medical services and trauma care steering committee and health care financial experts to the study advisory group. The Department of Health is to complete the financial study by December 31, 1997.

Amended Bill Compared to Second Substitute Bill: Instead of imposing new \$10-\$15 fees on motor vehicle title transactions, the amended House bill imposes new fees on persons who commit traffic infractions or offenses in order to generate dedicated revenues for trauma care. The amended House bill also requires the Department of Health to conduct a financial study to review trauma care costs within the context of a health care provider or facility's comprehensive financial situation.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session, except for sections 1 through 5, which take effect on January 1, 1998.

Testimony For: The Legislature established a trauma care system in 1990 but never paid for it. This bill will generate the revenues needed to pay for the system.

A trauma care system gets a severely wounded person to the right place in a timely fashion. The fundamental purpose of a trauma system is to save lives. An efficient trauma care system also actually saves money. It costs 15.5 percent less to treat a severely injured patient in a state with a trauma system than in a state without a trauma system. If severe injuries are treated promptly and effectively, then the odds that a person recovers fully and does not suffer any life-long disabilities improve.

This bill is needed to compensate trauma care providers for patients who are uninsured or under-insured. In the past, hospitals have been able to recoup their costs for providing care to uninsured persons by charging insured persons more. Now, with the advent of managed care, it is no longer possible to shift costs.

Auto dealers do not necessarily endorse the imposition of additional fees on new car sales as a means of generating state revenues. However, auto dealers do support the provision in the bill that compensates dealers for the costs of collecting this new fee.

(Concerns) Since traffic fines are collected by courts operated by local governments, there might be opposition to the proposed amendment to fund trauma via an extra fee imposed on traffic offenses. Funding trauma care via a \$10 or \$15 fee on motor vehicle title transactions, as the original bill proposes, is a better idea.

Auto salvage companies are concerned that the bill will require them to pay a \$10 fee on junked cars salvaged for parts. In some cases, damaged cars are rebuilt and sold, and the \$10 fee should apply to title transactions involving those cars. However, if a damaged car is never driven again, then there should be no \$10 fee.

Testimony Against: The proposed amendment to generate revenues for trauma care by imposing new fines on traffic offenders may kill the golden goose. The higher you raise traffic fines, the more you encourage people to contest their tickets and to hire attorneys. As a result, a traffic infraction hearing that used to take a few minutes now takes much more time, and the number of cases that an individual judge can hear decreases accordingly. Higher fines also mean more people cannot afford to pay their fines. If a person does not pay his or her fines, then the person's license may be suspended. However, many people still drive despite the suspension of their licenses, so you also spur this additional law-breaking activity by increasing the fines too much.

Testified: (pro) Senator Wojahn, prime sponsor; Janet Griffith, Department of Health; Juris Maco, EMS-Trauma Steering Committee; Ron Maier, Harborview; Garman Lutz, Empire Health Services; David Gitch, Harrison Memorial Hospital; Cliff Herman, Pierce County Medical Society; Nick Federici, Washington State Nurses Association and Washington Ambulance Association; Thor Gisnesini, Washington State Council of Police Officers; Jim Boldt, Washington Auto Dealers; (concerns) Dave Ducharme, Insurance Auto Auctions; and (con in regards to proposed amendment) Judge Robert McBeth, Washington State District and Municipal Court Judges Association