Summary of Trauma Care Center and Trauma Service Availability Grant Programs

**TRAUMA CARE CENTER GRANT PROGRAM**
(PHSA Section 1241-6 Part D, 42 U.S.C. 300d-41 Part D)

**Types of Grants**
Establishes three grant programs: (1) Substantial Uncompensated Care Awards; (2) Core Mission Awards; and (3) Emergency Awards.

**Significant Uncompensated Care Awards** will enhance the stability of trauma centers with the highest levels of uncompensated costs, which include unreimbursed costs from serving self-pay, charity, or Medicaid patients (CHA/VHA definition), all of which are attributable to emergency care and trauma care, including costs related to subsequent inpatient admissions to the hospital.

**Core Mission Awards** will support patient stabilization and transfer, trauma education and outreach, coordination with local and regional trauma systems, and provide funding for essential personnel and other fixed costs, as well as expenses associated with employee and non-employee physician services.

**Emergency Awards** will provide emergency relief to trauma centers to ensure the continued and future availability of trauma services in areas where the availability of trauma care has significantly decreased or will significantly decrease if the center is forced to close or downgrade its services.

**Minimum Applicant Qualifications**
Only public, non-profit Indian Health Service, Indian tribal, and urban Indian trauma centers are eligible to apply for the grants. Applicant trauma centers must participate in a trauma care system that meets the guidelines of the Public Health Service Act (this requirement does not apply to trauma centers located in states with no existing trauma care system) and must be verified by either the American College of Surgeons or designated by an equivalent State or local authority.

In addition to these general requirements, uncompensated care award applicants must also meet or exceed specified levels of unreimbursed self-pay, charity, or Medicaid care in their emergency departments in order to qualify for support. The Secretary of Health and Human Services may waive the foregoing requirement for applicants qualifying for funds under a Low Income Pool or Safety Net Care Pool under a Medicaid Section 1115 Waiver. Applicants for uncompensated care awards must submit a plan to the Secretary that demonstrates a continued commitment to serving trauma patients regardless of their ability to pay and have policies in place to assist patients who cannot pay for part of all of the care they receive (including a sliding fee scale), and to ensure fair billing and collection practices.

**Considerations in Making Grants**
Requires the Secretary to apply certain considerations when making grant determinations:

**Uncompensated Care Awards Preferences** – Uncompensated care grant amounts are to be stratified into three enumerated categories according to the grantee's uncompensated care cost levels, with those grantees facing the greatest uncompensated care levels receiving the largest grants, and grantees facing the least uncompensated costs receiving the smallest grants.

**Core Mission Awards Preferences** – Twenty-five percent of the core mission awards must be reserved for Level III and Level IV trauma centers. An additional twenty-five percent of the awards
Summary of Trauma Care Center and Trauma Service Availability Grant Programs

must be reserved for large urban Level I and II trauma centers with graduate medical education programs that meet specified uncompensated cost thresholds and are not otherwise eligible for uncompensated care grants.

Emergency Awards Preferences – The Secretary must preference applicants that provide trauma care to geographic areas in which (1) the availability of trauma care has significantly decreased, (2) the availability of trauma care will significantly decrease if the center is forced to close or downgrade service, or (3) growth in demand for trauma services exceeds capacity. The Secretary must reallocate emergency award funds that are not obligated due to insufficient or unqualified applications to the significant uncompensated care program.

Certain Agreements
Requires applicants to commit to providing continued trauma service at specified levels. Applicant trauma centers must agree to continue participation in a trauma care system (unless no such system exists in their state). If the trauma center breaks this agreement, the grant funds must be returned to the federal government. Applicant trauma centers must also agree during the grant period to maintain access to trauma services at levels not less than the levels of the prior year (taking reasonable yearly fluctuations and other specified factors into account). Applicant trauma centers must also agree to provide data to a national and centralized registry of trauma cases, in accordance with guidelines developed by the American College of Surgeons and additional requirements by the Secretary of Health and Human Services. The registry must meet American College of Surgeons guidelines.

General Provisions
Establishes general parameters for all three programs:

- Applications must be submitted to the Secretary of Health and Human Services in a form to be determined by the Secretary;
- Emergency awards are to last for a period of three years, with an option for a fourth year with Secretarial approval;
- An individual grant under any of the three programs may not exceed $2 million;
- In general, qualifying for one of the three awards does not preclude eligibility for the other two awards; except that large urban Level I and II trauma centers that are eligible for significant uncompensated care awards are not also eligible for core mission awards;
- Of the total amount appropriated by Congress for a given fiscal year, seventy percent of the amount must be used for significant uncompensated care awards, twenty percent must be used for core mission awards, and ten percent must be used for emergency awards;
- Funds appropriated for uncompensated care awards must be distributed according to enumerated allocation levels (based on applicants uncompensated cost levels) to ensure the grants are available to trauma centers with varying levels of need;
- If the overall amount appropriated by Congress for a given fiscal year is less than $25 million, the entire amount must be used for significant uncompensated care awards; and
- The Secretary of Health and Human Services must report to Congress biennially on the status of the grant program and the overall financial stability of the nation's trauma centers.

Authorization of Appropriations
Authorizes $100 million total for the three awards for FY09 and such sums as may be necessary for each of fiscal years 2010 through 2015.
Summary of Trauma Care Center and Trauma Service Availability Grant Programs

Definition
Defines "uncompensated care costs" to mean unreimbursed costs from serving self-pay, charity, or Medicaid patients, without regard to payments under section 1923 of the Social Security Act, all of which are attributable to emergency care and trauma care including costs related to subsequent inpatient admissions to the hospital.

Explanation of Funding Distributions
Overall Funding Distribution - Of the total amount appropriated per year --
- 70% goes to substantial uncompensated care awards
- 20% goes to core mission awards
- 10% goes to emergency awards (reallocated to uncompensated care awards if unobligated)

Core Mission Awards Funding Distribution - Of the amount appropriated to core mission awards:
- 25% shall be reserved for Level III and Level IV trauma centers
- 25% shall be reserved for large urban Level I or II trauma centers not otherwise eligible for substantial uncompensated care grants and that meet specified GME and uncompensated care requirements.

Substantial Uncompensated Care Grants Criteria and Funding Distribution.
Qualifying Criteria – To qualify for substantial uncompensated care grants, trauma centers must meet one of the criteria in one of the following three Categories A, B, or C:
- Category A: 40% charity/self-pay, or 50% Medicaid/charity/self-pay combined, in ED
- Category B: 35% charity/self-pay, or 50% Medicaid/charity/self-pay combined, in ED
- Category C: 20% charity/self-pay, or 30% Medicaid/charity/self-pay combined, in ED

Allocation Among Categories - Of the amount appropriated to substantial uncompensated care awards, the Secretary shall apply the allocation as follows:
- Category A: 50% of funds
- Category B: 35% of funds
- Category C: 15% of funds

Formula to Distribute Funds – Trauma centers qualifying for substantial uncompensated care grants would be eligible to receive a specified percentage of their uncompensated care losses prior to a pro-rata reduction based on the applicable category.
- Trauma Centers in Category A: Entitled to 100% of their uncompensated care costs
- Trauma Centers in Category B: Entitled to 75% of their uncompensated care costs
- Trauma Centers in Category C: Entitled to 50% of their uncompensated care costs

After each qualifying trauma center receives their "entitlement" number based on their category above, a pro-rata reduction is taken for all trauma centers within each of the categories to fit within the appropriated amount available for each category.
Summary of Trauma Care Center and Trauma Service Availability Grant Programs

**TRAUMA SERVICE AVAILABILITY GRANT PROGRAM**
*(PHSA Section 1281-2 Part H, 42 U.S.C. 300d-81 Part H)*

**Establishment of Grant Program**
In order to promote universal access to trauma care services provided by trauma centers and trauma-related physician specialties, the Secretary shall provide funding to states for the purpose of administering grants to eligible entities to ensure universal access to trauma care specific to that state.

**Purpose and Permissible Use of Funding** – States may award grants to improve the availability of trauma services. Grant recipients must use finding to carry out at least one of the following activities:

- Providing physician compensation in trauma-related physician specialties where shortages exist in that region with priority for safety net trauma centers;
- Providing individual safety net trauma center fiscal stability and 24/7 availability costs with priority for safety net trauma centers in urban, border, and rural trauma areas;
- Reducing trauma center overcrowding at specific trauma centers related to throughput of trauma patients;
- Establishing new trauma services in underserved areas (as defined by the State);
- Enhancing collaboration between trauma centers and other hospitals/EMS personnel regarding trauma service availability;
- Making capital improvements to enhance access and expedite trauma care, including helipads and associated safety infrastructure;
- Enhancing surge capacity at specific trauma centers;
- Ensuring expedient receipt of trauma patients by ground or air to the appropriate center;
- Enhancing interstate trauma center collaboration;

**Eligible Recipients of the Funding** – Three types of entities are eligible to receive a grant:

- Public or non-profit trauma centers or consortia thereof that meet certain eligibility requirements for uncompensated care grants in the Trauma Care Center Grant Program
- Safety net public or nonprofit trauma centers that meet the eligibility requirements for uncompensated care grants in the Trauma Care Center Grant Program
- Hospitals in underserved areas that seek to establish new trauma services.

To receive funding, eligible entities must submit an application to the State containing whatever information that the State shall require.

**Limitation on Funding** - No state may use more than twenty percent of the funding available to it for administrative costs associated with awarding grants. States must use at least forty percent of the funding available to it to award grants to safety net trauma centers

**Maintenance of Effort** – States must agree that any funding provided will be used to supplement and not supplant State funding for the purposes contained in this section.

**Distribution of Funding Among States**
- If the amount appropriated in a given fiscal year is less than $10 million, the Secretary shall divide such funding evenly among only those states that have one or more safety net
Summary of Trauma Care Center and Trauma Service Availability Grant Programs

trauma centers that meet the top tier requirements under the substantial uncompensated care funding criteria.

- If the amount appropriated in a given fiscal year is less than $20 million, the Secretary shall divide such funding evenly among only those states that have one or more trauma centers that meet the top two tiers for uncompensated care funding.
- If the amount appropriated in a given fiscal year is less than $30 million, the Secretary shall divide such funding evenly among only those states that have one or more trauma centers eligible for funding under any one of the three tiers for substantial uncompensated care grants.
- If the amount appropriated in a given fiscal year is greater than $30 million, the Secretary shall divide such funding evenly among all states.

Authorization of Appropriations – For the purpose of carrying out this program, there is authorized to be appropriated $100 million for each of fiscal years 2010 through 2015.

Explanation of Funding Distributions

Overall Funding Distribution to States - If the amount appropriated:

- Is less than $10 million, the Secretary divides evenly among only those states that have 1 or more safety net trauma centers in category A under the substantial uncompensated care funding criteria.
- Is less than $20 million, the Secretary divides evenly among only those states that have 1 or more trauma centers in category A or B under the substantial uncompensated care funding criteria.
- Is less than $30 million, the Secretary divides evenly among only those states that have 1 or more trauma centers eligible for funding in category A, B or C under the substantial uncompensated care funding criteria.
- Is greater than $30 million, the Secretary divides evenly among all states.

Utilization/Distribution of Funding by States

- No more than 20% may be utilized by the States for administrative costs
- Thus, at least 80% must be provided to eligible entities (trauma centers or consortia thereof or hospitals working to become trauma centers)
- At least 40% of total amount available to the state must be provided to safety net trauma centers that qualify for substantial uncompensated care grants

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