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February 28, 2002 Joint Committee on Finance Paper #1168

Statewide Trauma Care System (DHFS)

[LFB Summary of the Governor's Budget Reform Bill: Page 53, #10]

CURRENT LAW

1997 Act 154, as amended by 1999 Act 9 and 2001 Act 16, requires DHFS to develop and implement a statewide trauma care system by July 1, 2002. DHFS is required to promulgate rules to implement the system, including a method by which to classify hospitals as to their respective emergency care capabilities. Hospitals are required to classify the level of trauma care services they provide within 180 days after the rules are promulgated, and every three years thereafter.

Under the DHFS plan for the system, regional trauma advisory councils, made up of hospitals, providers and other stakeholders, would be required to develop and evaluate local protocols, develop agreements between local providers, analyze regional trauma data, improve trauma care capabilities, develop injury prevention and education strategies and educate and train emergency medical service and dispatch providers.

GOVERNOR

Provide one-time funding of $500,000 GPR and 2.0 GPR project positions in 2002-03, to support activities relating to the development of the statewide trauma care system. Funding would be provided as follows: (a) $80,000 for 1.0 trauma registrar to develop and implement a statewide trauma care database; (b) $80,000 for 1.0 injury education coordinator to develop injury training and education programs and assist with performance improvement activities; (c) $290,000 for grants to regional trauma advisory councils; and (d) $50,000 for regional trauma advisory council meeting expenses.

DISCUSSION POINTS

1. A trauma care system provides a comprehensive approach to triage, treatment, transport and ultimate care of major trauma victims. The National Highway Traffic Safety Administration defines a trauma care system as "a system of health care delivery that combines pre-hospital emergency medical services (EMS) resources and hospital resources to optimize the care, and therefore, the outcome of traumatically injured patients."

2. National studies show that traumatic injury is the leading cause of death for persons under age 44. A number of studies show that implementation of a trauma care system reduces death rates and hospital costs associated with traumatic injuries. A 1999 review of published research on the effectiveness of trauma care systems indicates that implementation of a trauma care system improves survival rates for seriously injured patients 15% to 20% over time. A 1995 study demonstrates that states with trauma care systems have 15.5% lower costs per hospitalized injury episode. According to DHFS, 31 states and Washington D.C. have some type of coordinated trauma care system in place.

3. The impetus for the legislation creating a trauma system in Wisconsin resulted from a 1990 assessment of the state EMS system by the National Highway Safety Administration, which identified the lack of a trauma care system as one of several weaknesses of Wisconsin's EMS system.

4. 1997 Wisconsin Act 154 required DHFS, in conjunction with a Statewide Trauma Advisory Council, to prepare a joint report on the development and implementation of a statewide trauma care system. DHFS was prohibited from promulgating rules to develop and implement a trauma care system until the Joint Committee on Finance approved the report.

5. 1999 Wisconsin Act 9 (the 1999-01 biennial budget act) provided DHFS with $80,000 PR (money from transportation fund transferred to DHFS) and 1.0 PR position, beginning in 2000-01, to develop a statewide trauma care system.

6. On January 25, 2001, DHFS submitted a request to the Joint Committee on Finance for approval of the Wisconsin statewide trauma care system plan. Major components of the plan include: (1) appointing 10 regional trauma advisory councils (RTACs); (2) classifying hospitals according to trauma capabilities and ensuring that no facility would be without direct linkage to a Level I or Level II trauma center; (3) creating a trauma registry containing information on injured patients and fatalities and analyzing the data; (4) establishing guidelines for adult and pediatric trauma triage, interfacility transfers, medical control standards, trauma care education and evaluation and performance improvement mechanisms; (5) standardizing EMS communicator training and certification; and (6) creating education and training programs focused on prevention and control.

7. Because the submitted plan included funding, positions and statutory language, the Co-chairs of the Joint Finance Committee advised DHFS to have the plan drafted as separate

legislation so that the resources and statutory changes could be addressed by the full Legislature.

8. As part of its 2001-03 biennial budget deliberations, the Legislature provided funding and positions for DHFS to implement the trauma care system. The 2001-03 biennial budget bill would have provided one-time funding of $185,000 in 2001-02 and $500,000 in 2002-03 from federal funds received by the Department of Transportation under the state and community highway safety program (Section 402 funds) and 2.0 two-year project positions.

9. Under the federal Section 402 program, states receive funding to reduce traffic accidents and death, injuries and property damage that result from accidents. States are required to submit a highway safety plan before the beginning of each fiscal year. The plan must identify the most serious traffic safety problems. Applicable program areas include alcohol and drug countermeasures, police traffic services, occupant protection and emergency medical services, among others. The Governor of each state is responsible for administering these funds through a state highway agency. For fiscal year 2001-02, Wisconsin will receive $3.1 million under the federal Section 402 program for traffic safety purposes.

10. The Governor vetoed the trauma system funding and positions that would have been provided in the biennial budget bill, in addition to a provision that would have extended the July 1, 2002, sunset date for the Statewide Trauma Advisory Council and created regional advisory councils. In his veto message, the Governor indicated that he believed that the federal funds were more appropriately used to improve highway safety. He also indicated that dedication of these funds to the trauma care system would result in reductions in other highway safety grants, which would be counterproductive.

11. 2001 Assembly Bill 743, which was introduced on January 22, 2002, would provide $185,000 PR in 2001-02 and $500,000 PR in 2002-03 and 2.0 project positions to support development and implementation of the trauma care system. Under the bill, the source of one-time funding for the system would be federal Section 402 funds. The bill would also extend the termination date of the Statewide Trauma Advisory Council, from July 1, 2002 to July 1, 2004, and require DHFS to create regional advisory councils. The Assembly passed the bill unanimously on February 5, 2002.

12. Motor vehicle crashes are the leading cause of injury deaths in Wisconsin. Therefore, there is some justification for using federal highway safety funds to support the development of a statewide trauma care system. Ten states, including Wisconsin, use a portion of their 402 funds to support EMS functions. In Wisconsin, DHFS has applied for and received Section 402 funds ($70,000 in 2001-02) to develop an ambulance report database and conduct EMS medical director training. However, concerns have been raised over whether the Legislature should designate the use of these federal funds.

13. In a January 24, 2002, memorandum to the Secretary of DOT from the National Highway Safety Administration, the federal regional administrator mentioned a number of concerns with the proposed legislation to use the Section 402 funds for the trauma care system, including: (1)

earmarking funds would ignore the highway safety planning process (during the development of Wisconsin's federal 2002 Highway Safety Plan, support for the trauma system was determined to be an ineffective use of the Section 402 funds); (2) state legislation would not be controlling and would be subject to federal approval procedures; (3) in appropriating money from DOT to DHFS, the legislation would abrogate the Governor's responsibility under Section 402 to administer the program through Wisconsin's highway safety agency; and (4) only the portion of the trauma system relating to highway safety would be eligible for the Section 402 funds.

14. Progress on the development of the trauma system has been delayed due to the initial requirement that the Joint Finance Committee approve the report prior to DHFS promulgating rules and the lack of funding and staff resources. The Statewide Trauma Advisory Council continues to meet on a regular basis, and is currently working on identifying membership to regional trauma area councils and their responsibilities. Seven regions have been identified.

15. It will not be possible for DHFS to meet the July 1, 2002, statutory deadline for implementing a statewide trauma care system. In fact, full implementation of a system, as described in the DHFS plan, will involve analysis of injury data and injury prevention education and training activities over several years. For this reason, the July 1, 2002, statutory deadline should be repealed.

16. The regional councils are viewed as a critical component of the system in assessing local capacities and coordinating regional trauma resources. Under the Governor's proposal, $50,000 would be available to cover regional council meeting expenses and $290,000 would be available for grants. DHFS indicates that the grants would be awarded on a request-for-proposal basis for hardware and software for regional data collection and analysis, support staff resources to coordinate regional trauma care, increasing pre-hospital care to the region, home safety inspections, medical director education, public information and education forums and public services announcements on injury prevention.

17. The original DHFS plan identified 10 regions with councils of 30 members each, meeting quarterly with estimated meeting expenses of $5,000 and grants of $29,000 for each region. Given that DHFS currently has identified seven regions, funding could be reduced by $102,000 to maintain the same level of support identified under the plan.

18. While DHFS could proceed with rule-making, implementing a statewide trauma care system without funding or staff to support it would not be effective. Without funding, regional councils would have to voluntarily meet to assess and coordinate trauma care, but would be provided no additional resources to support the system. This could be viewed as a local mandate. In addition, DHFS has not been authorized staff to support the system, implement a statewide database for trauma patients, analyze trauma data, create injury prevention education and training programs and evaluate of the overall system.

19. In light of the constraints on general purpose revenues, the Committee could delete the Governor's provision and repeal the requirement that DHFS implement a system. If the Committee eliminates the requirement that DHFS implement a trauma care system, it could also

reduce DHFS's budget by $80,000 PR annually, beginning in 2002-03 and eliminate the current 1.0 PR trauma care system coordinator position and reduce a corresponding amount of SEG funding in DOT.

20. Alternatively, the Committee could consider other funding sources to support the trauma care system. Since there is a connection between motor vehicle crashes and injuries and deaths, the transportation fund could be considered an appropriate funding source for the trauma care system. One option would be to transfer $398,000 SEG on a one-time basis from the transportation fund to support the system in 2002-03.

21. In December, the projected ending balance in the transportation fund for the 2001-03 biennium was $6,148,700. However, estimates of transportation fund revenues were made in the spring of 2001, and were based on economic projections available at that time. Because of changes in the economy since that time, it is likely that revenues could be much lower. For example, a 0.5% reduction in the consumption of motor vehicle fuel over the biennium would reduce transportation fund revenues by more than $7.2 million.

22. Another option would be to reallocate funding currently budgeted for counties to support services to persons convicted of operating while intoxicated (OWI) offenses. Persons convicted of OWI offenses are assessed a $355 driver improvement surcharge. Counties forward 38.5% of these revenues to the state, which funds several agencies' programs related to alcohol abuse and law enforcement.

23. An estimated $3.6 million in revenues will be available to the state in 2001-02 from the driver improvement surcharge. This funding is distributed to five state agencies: the Departments of Justice, Public Instruction, Health and Family Services, Transportation and the University of Wisconsin. In the 2001-03 biennium, DHFS is budgeted $1.0 million annually from this source.

24. Currently, DHFS allocates this OWI funding to county human services departments and Chapter 51 boards under the intoxicated driver program for treatment of persons convicted of OWI offenses. DHFS has allocated the money to counties to cover costs resulting from deficits in intoxicated driver programs (IDPs) if the counties meet certain criteria. Counties apply for the supplemental funding annually. The funding is allocated based on the availability of, and need for, funding.

25. DHFS has notified counties that the supplemental funding budgeted in 2001-02 for IDP to fund calendar year 2001 costs will not be distributed. Instead, DHFS had anticipated that legislation will be enacted to allow DHFS to use this money and the 2002-03 allocation for underage tobacco enforcement activities.

26. Given the direct correlation between drunk driving and motor vehicle injuries and fatalities (36% of motor vehicle fatalities involved alcohol in 1999), the Committee could consider using $398,000 of the $1,000,000 supplemental funding from the OWI surcharge to fund the trauma

care system in 2002-03. Statutory changes would be needed to allow the IDP funds to be used on a one-time basis for development and implementation of the system. However, the potential use of these funds is considered in LFB Issue Paper #1171 for tobacco enforcement activities. Therefore, using OWI surcharge revenue for the trauma care system would reduce the amount that would be available for either the IDP or tobacco enforcement activities.

27. If no statutory changes are made regarding the use of IDP funds, DHFS will be required to allocate the funding to counties to fund IDP services by the end of the fiscal year.

28. Alternatively, the Committee could delete the Governor's recommendations to provide $500,000 GPR and 2.0 GPR positions for the trauma care system. Funding for the system could still be addressed under the proposed legislation, AB 743, which was recently passed by the Assembly.

29. While the Governor's recommendation to fund the statewide trauma care system would be supported with one-time funds and 2.0 project positions in 2002-03, implementation of the system is seen as an ongoing function by DHFS that could take several years. Further, the two project positions that would be provided are intended to develop the trauma registry, analyze injury data, evaluate the trauma care system, and create and coordinate injury education and training programs. These are viewed as ongoing components of the system. In addition, data would not be available to evaluate until implementation of the system is underway. Therefore, if the requirement that DHFS implement a statewide trauma care system remains, it is likely that DHFS will seek ongoing funding and positions in the future to support the system.

30. If the Committee supports continued development and implementation of a statewide trauma system, the Committee could extend the current July 1, 2002, sunset date for the statewide trauma advisory council to July 1, 2003, so that the Council can continue to meet throughout the development process.

31. The Committee could also include provision that would authorize DHFS to create regional trauma advisory councils. Statutory provisions authorizing the creation of regional councils had been included in the biennial budget bill passed by the Legislature, but was vetoed by the Governor. The Governor's proposal includes grants to regional advisory councils, therefore the intent to authorize DHFS to create regional advisory councils is implied. However, including statutory provisions authorizing their creation would clarify this authority.

32. The Governor included funding for the statewide trauma care system as part of his security initiative. Wisconsin has been notified that it will receive approximately $19.3 million for bioterrorism preparedness activities, including: (a) $16,940,986 to defend against bioterrorism-related events and deal with other public emergencies; and (b) $2,327,920 for regional hospital planning and preparedness. According to correspondence from the U.S. Department of Health and Human Services (DHHS), 20% of the federal funding will be made available to states immediately and the remainder will be released subject to federal approval of a plan submitted by DHFS, due no later than April 15, 2002. The funds must be spent or encumbered by August 30, 2003.

33. According to information provided by DHHS, the $16.9 million must be used for: (a) preparedness planning and readiness assessment; (b) surveillance and epidemiology capacity; (c) laboratory capacity- biologic agents; (d) communicating health risks and health information dissemination; and (e) education and training of public health officials, infectious disease specialists, emergency department personnel and other healthcare providers.

34. The Health Resources and Services Administration (HRSA) is responsible for administering the $2.3 million for regional hospital planning and awareness. HRSA has recently provided guidance as to how the federal funds may be spent.

35. According to the HRSA guidelines, the purpose of the $2.3 million is to upgrade the preparedness of hospitals and collaborating entities to respond to terrorism. This will also allow the health care system to become better prepared to deal with nonterrorist epidemics of rare diseases. This includes development and implementation of regional plans to improve the capacity of hospitals, emergency departments, outpatient centers, EMS systems and other collaborating health care entities for responding to incidents requiring mass immunization, treatment, isolation and quarantine in the aftermath of bioterrorism or other outbreaks of infectious disease.

36. The HRSA program will cover two phases. Phase 1 will consist of state, territorial, regional and municipal efforts to perform a needs assessment of hospital preparedness to respond to a bioterrorist incident and to develop a plan of action, and initial implementation efforts including recruitment and training of EMS personnel and upgrading hospital infrastructures, in areas such as infection control and casualty management. Phase 2 will involve full implementation, including upgrading the ability of hospitals and other health care entities to respond to biological events, to develop a multitiered system in which local health care entities are prepared to triage, isolate, treat, stabilize and refer multiple casualties of a bioterrorist incident. Most of phase 2 funds will be distributed to hospitals and community heath centers. EMS systems and poison control centers may also be funded.

37. While implementation of a statewide trauma care system would not likely be considered preparation for bioterrorism-related events, parts of the system could be considered components of a response to a bioterrorism event, including regional hospital planning and awareness. In addition, at this time, DHFS is considering using the regional area trauma councils as the basis for its regional planning for bioterrorism response. Therefore, the Committee could direct DHFS to use the one-time bioterrorism funding to support parts of the trauma care system, to the extent permissible under federal law and guidelines. Use of the funding for the trauma system would be subject to federal approval.

ALTERNATIVES TO BILL

A. Funding

1. Approve the Governor's recommendation to provide one-time funding of $500,000 GPR and 2.0 GPR project positions in 2002-03 to support activities relating to the development of the statewide trauma care system.

2. Modify the Governor's recommendation to reduce funding by $102,000 GPR in 2002-03 to reflect lower meeting expenses and grant amounts associated with fewer regional area trauma councils than originally proposed under the DHFS trauma system plan.

Alternative A2	GPR
2001-03 FUNDING	- $102,000

3. Delete the Governor's provision. Instead, provide $398,000 SEG in one-time funding from the transportation fund and 2.0 SEG project positions in 2002-03 to support development and implementation of the statewide trauma care system.

Alternative A3	GPR	SEG	TOTAL
2001-03 FUNDING	- $500,000	$398,000	- $102,000
2002-03 POSITIONS	- 2.00	2.00	0.00

4. Delete the Governor's provision. Instead, provide $398,000 PR and 2.0 PR project positions in 2002-03 in one-time funding from OWI surcharge funds to support the development of the statewide trauma care system and reduce funding for IDP programs by $398,000 PR in 2002-03 on a one-time basis.

Alternative A4	GPR	PR	TOTAL
2001-03 FUNDING	- $500,000	$0	- $500,000
2002-03 POSITIONS	2.0	2.0	0.0

5. Delete the Governor's provision.

Alternative A5	GPR
2001-03 FUNDING	- $500,000
2002-03 POSITIONS	- 2.00

6. Delete the Governor's provision. In addition, delete 1.0 PR position and $80,000 PR from DHFS and $80,000 SEG from DOT in 2002-03 to eliminate the current trauma care system coordinator position.

Alternative A6	GPR	PR	SEG	Total
2001-03 FUNDING	- $500,000	- $80,000	- $80,000	- $660,000
2002-03 POSITIONS	- 2.00	- 1.00	0.00	- 3.00

B. Statutory Changes

1. In addition to any of the alternatives under A, eliminate the July 1, 2002, statutory deadline for DHFS to implement a statewide trauma care system.

2. In addition to Alternatives A1, A2, A3 or A4, extend the current statutory sunset date for the statewide trauma advisory council from July 1, 2002 to July 1, 2003.

3. In addition to Alternatives A1, A2, A3 or A4, authorize DHFS to create regional trauma advisory councils.

4. In addition to Alternatives A1, A2, A3, A4 or A5, require DHFS to use the one-time federal bioterrorism funds to support the development and implementation of the statewide trauma system, to the extent allowable under federal law.

5. In addition to A5 or A6, eliminate the requirement that DHFS develop and implement a statewide trauma system.

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