

SENATE BILL REPORT

SB 5127

As Reported By Senate Committee On:
Health & Long-Term Care, February 18, 1997
Ways & Means, March 10, 1997

Title: An act relating to funding trauma care services.

Brief Description: Providing additional funding for trauma care services.

Sponsors: Senators Wojahn, Deccio, Thibaudeau, Wood, Oke, Loveland, Sellar, Snyder, Fairley, Spanel, Sheldon, McCaslin, West, Bauer, Winsley, Goings and Schow.

Brief History:

Committee Activity: Health & Long-Term Care: 1/28/97, 2/18/97 [DPS-WM, DNP].
Ways & Means: 2/26/97, 3/10/97 [DP2S].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5127 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Deccio, Chair; Wood, Vice Chair; Fairley, Franklin and Wojahn.

Minority Report: Do not pass.

Signed by Senators Benton and Strannigan.

Staff: Rhoda Jones (786-7198)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5127 be substituted therefor, and the second substitute bill do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Bauer, Brown, Fraser, Kohl, Long, Loveland, Roach, Schow, Sheldon, Snyder, Spanel, Swecker, Thibaudeau and Winsley.

Staff: Tim Yowell (786-7435)

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 extremely expensive care for patients who have no insurance. Currently, about 16 percent of trauma patients statewide are uninsured, and 18 percent bill Medicaid. There has been growing concern that designated trauma care facilities will not be able to manage the financial burden of uncompensated care.

The 1990 legislation paid 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 \$38 million for the biennium.

The 1996 Legislature appropriated \$4.6 million from the state's general fund to reimburse designated trauma care services for the cost of severe trauma to medically indigent patients.

In 1995, 5.2 million motor vehicles were registered and licensed to operate on and off-road statewide. In addition, 1.6 million vehicle titles were either issued or transferred. These totals include new and used cars, trucks, motorcycles, snowmobiles, off-road vehicles, travel and utility trailers, campers and other motor vehicles. Further, the state issued 85,000 vanity plates in 1995.

Summary of Second Substitute Bill: A funding source for the state's trauma care system is established through the collection of fees by car dealers and others at the time of motor vehicle registration or title transfer. Car dealers must collect a \$15 fee at the time of sale or lease of any new or used motor vehicle, \$10 of which is passed to the emergency medical services and trauma care system trust account, and \$5 is retained by the car dealer as an administrative fee. In private motor vehicle transactions, the \$10 fee is collected at the time of registration or title transfer and is also forwarded to the emergency medical services and trauma care system trust account. The \$10 fee is also collected upon the sale of a new or used motor vehicle to a rental car business.

The Department of Licensing collects the fees which are then forwarded to the above mentioned trust account.

All fees collected under the terms of this bill, which are forwarded to the emergency medical services and trauma care system trust account, are disbursed based on a regional/state match of 25/75 percent.

Second Substitute Bill Compared to Substitute Bill: Various technical changes are made revising statutory references. It is clarified that a title transaction subject to the fee in section 3 is not also subject to the fee in section 4. Funds in the emergency medical services and trauma care account are to be used only for trauma services.

Substitute Bill Compared to Original Bill: The \$1 vehicle license renewal fee is removed. The \$2 license application and renewal fee on personalized license plates is removed. Publicly owned vehicles and vehicles registered to native American owners are not exempt from the fees. Language clarifying that trauma regions provide 25 percent of the match, and the emergency and trauma fund pays 75 percent is added. Language adds an effective date of January 1, 1998. The Department of Licensing is responsible for fee collections.

Appropriation: None.

Fiscal Note: Available.

Effective Date: January 1, 1998.

Testimony For (Health & Long-Term Care): The legislation provides funding for a trauma care system which could collapse if there isn't compensation for patients who have no insurance. Auto dealers want additional funds to cover the administrative costs associated with vehicle transactions.

Testimony Against (Health & Long-Term Care): As written, the money generated through these fees should go to the state's highway vehicle fund.

Testified (Health & Long-Term Care): Mary Tanasse, ARC (pro); Randy Lewis, City of Tacoma (pro); Janet Griffith, EMS panel (pro); Jim Boldt, Washington Auto Dealers (pro); Eric Andersen, Department of Licensing (con); Helga Morgenstern, Department of Transportation (con).

Testimony For (Ways & Means): The Legislature did an outstanding job in 1990 in defining what a trauma system should look like, but it now needs to provide the funding to make it a reality. We all run the risk of severe trauma every time we get in a car. Nationwide, trauma centers are closing because of under-compensation. Statewide, 16 percent of trauma care is uncompensated. At Harborview, it is 27 percent. Sacred Heart Medical Center is writing off about \$3 million per year because of uncompensated care. It is reasonable for the auto dealer to collect a \$5 fee because they must complete a lot of paperwork for titling. In Pierce County, approximately half the 700 patients per year who need trauma care must be transported to Harborview because no Tacoma hospitals can risk the high uncompensated care costs which would result from trauma designation.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): PRO: Janet Griffith, DOH; Juris Bacs, EMS-Trauma Steering Committee; Ron Baier, Harborview Hospital; Lori Taylor, Sacred Heart Medical Center; John Vorhanbrock, Yakima Valley Hospital; Pete Schlichter, Harrison Memorial Hospital; Lisa Thatcher, Auto Dealers Association; Ernest Bianco, Multicare Health Foundation; Mark Jergens, Pierce County Medical Society.