



## **EMS and Trauma Systems Funding Programs**

**House Committee on Public Health**

**March 27, 2008**

**Kathryn C. Perkins, Assistant Commissioner  
Division for Regulatory Services**

**Designated Trauma Facility and Emergency Medical Services Account (DTF/EMS)**  
**Comptroller Fund # 5111**

- ♦ Created by HB3588 and HB3318, 78th Legislature, Regular Session and HB2, 78<sup>th</sup> Legislature, 3<sup>rd</sup> C.S.
- ♦ Revenue source:
  - Surcharges/fines on bad drivers
    - 50% of the fines/surcharges deposited into the DTF/EMS account
    - 50% of the fines deposited to the Texas Mobility Fund
  - ~\$10 from the \$30 dollar State Traffic Fine.
- ♦ Distributions
  - \$500,000 set-aside for extraordinary emergencies for hospitals, licensed EMS and registered first responders
  - 96% of the remaining DTF/EMS appropriations is distributed to hospitals for uncompensated trauma care,
  - 2% is distributed to EMS providers,
  - 1% is distributed to Regional Advisory Councils (RAC), and
  - 1% goes to the department to administer the program.
- ♦ Appropriations
  - \$103.5 million for the FY 08/09 biennium
  - Additional appropriations are authorized by Article IX General Appropriation Act, Section 19.83 for amounts collected above the Biennial Revenue Estimate.
- ♦ Statute/Rules
  - [Texas Administrative Code: Section 157.131, Designated Trauma Facility and Emergency Medical Services Account](#)
  - [Texas Health Safety Code: Chapter 780, Trauma Facilities and Emergency Medical Services](#)

Since the inception of the account in 2003, the department has distributed \$166,860,794 from the DTF/EMS Account to approximately 250 eligible Texas hospitals to reimburse a portion of their uncompensated trauma care provided. All eligible hospitals that applied received a minimum of \$11,686 in FY 2004, \$29,596 in FY 2005, \$34,132 in FY 2006 and \$28,853 in FY 2007.

## **Major provisions of the funding disbursement**

### **Hospital Allocation – 96%**

Eligibility requirements: Must be designated as a trauma facility or considered “in active pursuit of designation” (hospitals considered “in active pursuit of designation” must be designated within two years or return any monies received from this account); facility must submit the Department’s Uncompensated Trauma Care Fund Application signed by the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Trauma Medical Director and Trauma Nurse Coordinator. Prior to the distribution of funds, the department reviews each applicant’s uncompensated trauma care charges for accuracy and reasonability.

#### Funding Methodology:

- Fifteen percent (15%) of the total amount of funds available is divided equally amongst all eligible applicants.
- Eighty-five percent (85%) is distributed to eligible applicants based on a funding formula that takes into account the percentage of uncompensated trauma care costs a hospital provided in relation to the total uncompensated costs provided by all the eligible hospitals that applied for funding. The statute requires funds not expended in the EMS and RAC allotments be distributed through the hospital allocation.

#### Eligible Uses for Funds:

Hospitals have no restrictions on how to expend the reimbursements received from this program. Reimbursements are for expenditures already incurred by the hospital.

### **EMS Allocation – 2%**

#### Eligibility Requirements:

Must be a licensed EMS provider and provide 911 and/or emergency transfers; participate in the appropriate RAC; utilize RAC bypass and diversion protocols; participate in the RAC’s performance improvement program; submit an expenditure report if received funds in previous fiscal years; and have a valid contract in place for counties outside their county of licensure (if applicable). The statute requires funds to be passed through the respective RACs to eligible EMS providers.

Funding Methodology:

EMS funds are distributed by the statutory funding formula based on the geographic size of a county, the population of the county and the number of emergency or trauma care runs performed by eligible providers within the county. In accordance with Texas Administrative Code 157.131, the statutory formula will be adjusted, so that 60% of the funds are allocated to rural/frontier counties and 40% of the funds are allocated to urban counties. Additionally, the money distributed to each eligible EMS provider within the county is based on a distribution formula set by member of the respective RAC.

Eligible Uses for Funds:

Supplies, vehicles, operational expenses, education and training, equipment and/or communication systems.

**RAC Allocation – 1%**

Eligibility Requirements:

A must be RAC is recognized by the department; be listed as an exempt organization under §501(c)(3); submit documentation of ongoing system development; demonstrate that a regional system performance improvement process is ongoing and submit required EMS allocation eligibility information.

Funding Methodology:

RAC funds are distributed by the statutory funding formula based on the geographic size of a Trauma Service Area (TSA), population of the TSA and the number of trauma runs by EMS providers and the number of trauma patients treated by hospitals within a respective TSA.

Eligible Uses for Funds:

Supplies, operational expenses, education and training, equipment and/or communication systems.

**Fund for Emergency Medical Services, Trauma Facilities, and Trauma Care Systems**  
**Comptroller Fund # 5108**

- ♦ Created by SB1131 and HB3318, 78<sup>th</sup> Legislature, Regular Session
- ♦ Revenue source:
  - \$100 court cost on alcohol related convictions
- ♦ Distributions
  - \$250,000 set-aside for extraordinary emergencies for hospitals, licensed EMS and registered first responders
  - 27% is distributed to hospitals for uncompensated trauma care,
  - 50% is distributed to EMS providers,
  - 20% is distributed to Regional Advisory Councils (RAC), and
  - 3% goes to the department to administer the program.
- ♦ Appropriations
  - \$4.7 million for the FY 08/09 biennium
  - Article II DSHS Rider 28 (Trauma Formula Distribution)
- ♦ Statute/Rules
  - [Texas Administrative Code: Section 157.130, EMS and Trauma Care System Account](#)
  - [Texas Health Safety Code: Section 773.122. Payments from the Accounts](#)
  - [Texas Health Safety Code: Section 773.006. Fund for Emergency Medical Services, Trauma Facilities, And Trauma Care Systems](#)

## **Major provisions of the funding disbursement**

### **Hospital Allocation – 27%**

Eligibility requirements: Must be designated as a trauma facility; facility must submit the Department’s Uncompensated Trauma Care Fund Application.

Funding Formula:

- Fifteen percent (15%) of the total amount of funds available is divided equally amongst all eligible applicants.
- Eighty-five percent (85%) is distributed to eligible applicants based on the percentage of uncompensated trauma care a hospital provided in relation to the total uncompensated provided by all the eligible hospitals that applied. The statute requires that any funds not expended from the EMS and RAC allotments be distributed through the hospital allocation.

Eligible Uses for Funds:

Hospitals have no restrictions. This disbursement is a reimbursement for funds already expended by the hospital.

### **EMS Allocation – 50%**

Eligibility Requirements:

Must be a licensed EMS provider and provide 911 and/or emergency transfers; participate in the appropriate RAC; utilize RAC bypass and diversion protocols; participate in the RAC’s performance improvement program; submit an expenditure report if received funds in previous fiscal years; and have a valid contract in place for counties outside their county of licensure

Funding Formula:

EMS funds are distributed by the statutory formula based on the geographic size of a county, population of the county and on the number of emergency or trauma care runs performed by eligible recipients in the county. In accordance with Texas Administrative Code 157.131, the statutory formula will be adjusted, in so far as possible, so that 60% of the funds are allocated to rural/frontier counties and 40% of the funds are allocated to urban counties. Additionally, the money distributed to each eligible EMS provider in the county is based on a distribution formula set by the RAC.

Eligible Uses for Funds:

Supplies, vehicles, operational expenses, education and training, equipment and/or communication systems.

**RAC Allocation – 20%**

Eligibility Requirements:

RAC is recognized by the department; be listed as an exempt organization under §501(c)(3); submit documentation of ongoing system development; demonstrate that a regional system performance improvement process is ongoing and submit required EMS allocation eligibility information.

Funding Formula:

RAC funds are distributed by the statutory formula based on the geographic size of a Trauma Service Area (TSA), population of the TSA and a percentage of trauma care provided within a respective TSA.

Eligible Uses for Funds:

Supplies, operational expenses, education and training, equipment and/or communication systems.

**Department Administration – 3%**

**The EMS and Trauma Care Systems Account**  
**Comptroller Fund \$# 5007**

- ♦ Created in September 1, 1993
- ♦ Revenue source:
  - Portion of 9-1-1 Surcharge
- ♦ Distributions
  - 27% is distributed to hospitals for uncompensated trauma care,
  - 50% is distributed to EMS providers,
  - 20% is distributed to Regional Advisory Councils (RAC), and
  - 3% goes to the department to administer the program.
- ♦ Appropriations
  - ~ \$3.6 million for the FY 08/09 biennium
  - Article II DSHS Rider 28 (Trauma Formula Distribution)
- ♦ Statute/Rules
  - [Texas Administrative Code: Section 157.130, EMS and Trauma Care System Account](#)
  - [Texas Health Safety Code: Section 773.122. Payments from The Accounts](#)
  - [Texas Health Safety Code: Section 771.072. Equalization Surcharge](#)

**Major provisions of the funding disbursement**

**Hospital Allocation – 27%**

Eligibility requirements: Must be designated as a trauma facility; facility must submit the Department’s Uncompensated Trauma Care Fund Application.

Funding Formula:

- Fifteen percent (15%) of the total amount of funds available is divided equally amongst all eligible applicants.
- Eighty-five percent (85%) is distributed to eligible applicants based on the percentage of uncompensated trauma care a hospital provided in relation to the total uncompensated provided by all the eligible hospitals that applied. The statute requires that any funds not expended from the EMS and RAC allotments be distributed through the hospital allocation.

Eligible Uses for Funds:

Hospitals have no restrictions. This disbursement is a reimbursement for funds already expended by the hospital.

## **EMS Allocation – 50%**

### Eligibility Requirements:

Must be a licensed EMS provider and provide 911 and/or emergency transfers; participate in the appropriate RAC; utilize RAC bypass and diversion protocols; participate in the RAC's performance improvement program; submit an expenditure report if received funds in previous fiscal years; and have a valid contract in place for counties outside their county of licensure

### Funding Formula:

EMS funds are distributed by the statutory formula based on the geographic size of a county, population of the county and on the number of emergency or trauma care runs performed by eligible recipients in the county. In accordance with Texas Administrative Code 157.131, the statutory formula will be adjusted, in so far as possible, so that 60% of the funds are allocated to rural/frontier counties and 40% of the funds are allocated to urban counties. Additionally, the money distributed to each eligible EMS provider in the county is based on a distribution formula set by the RAC.

### Eligible Uses for Funds:

Supplies, vehicles, operational expenses, education and training, equipment and/or communication systems.

## **RAC Allocation – 20%**

### Eligibility Requirements:

RAC is recognized by the department; be listed as an exempt organization under §501(c)(3); submit documentation of ongoing system development; demonstrate that a regional system performance improvement process is ongoing and submit required EMS allocation eligibility information.

### Funding Formula:

RAC funds are distributed by the statutory formula based on the geographic size of a Trauma Service Area (TSA), population of the TSA and a percentage of trauma care provided within a respective TSA.

### Eligible Uses for Funds:

Supplies, operational expenses, education and training, equipment and/or communication systems.

## **Department Administration – 3%**

**Permanent Fund for EMS and Trauma Care Account**  
**Comptroller Fund \$# 5046**

- ♦ Created by HB1676, 76th Legislature, Regular Session
- ♦ Revenue source:
  - Portion of the interest from the \$100 million Tobacco Endowment for Texas
- ♦ Distributions
  - Grants to the 22 Regional Advisory Councils for trauma systems development.
  - Grants to licensed EMS providers for equipment and non-disposable supplies.
  - Program operating costs
- ♦ Appropriations
  - ~ \$8.6 million for the FY 08/09 biennium (estimated)
- ♦ Statute/Rules
  - Texas Government Code: [Section 403.106. Permanent Fund for Emergency Medical Services And Trauma Care](#)