

110TH CONGRESS
2D SESSION

H. R. 5942

To ensure the continued and future availability of lifesaving trauma health care in the United States and to prevent further trauma center closures and downgrades by assisting trauma centers with uncompensated care costs, core mission services, emergency needs, and information technology.

IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2008

Mr. TOWNS (for himself, Mr. BURGESS, Mr. WAXMAN, and Mrs. BLACKBURN) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To ensure the continued and future availability of lifesaving trauma health care in the United States and to prevent further trauma center closures and downgrades by assisting trauma centers with uncompensated care costs, core mission services, emergency needs, and information technology.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Trauma Cen-
5 ter Stabilization Act of 2008”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds the following:

3 (1) Victims of traumatic injury should have ac-
4 cess to lifesaving care regardless of their geographic
5 location or ability to pay. Major multisystem trauma
6 victims receiving care within the first hour following
7 their injury are substantially more likely to survive.

8 (2) Maintaining a strong and effective trauma
9 care system for all victims of traumatic injury re-
10 quires the availability of a sufficient number of trau-
11 ma centers at appropriate levels of trauma care ca-
12 pability in all geographic regions of the Nation.

13 (3) Regional trauma centers annually treat
14 678,000 patients, regardless of their ability to pay.
15 When a trauma victim cannot afford treatment, the
16 trauma center pays for care that may save the vic-
17 tim's life.

18 (4) The cost of delivering trauma care has
19 steadily increased during the last decade. Trauma
20 centers collectively have accrued \$230,000,000 per
21 year in losses for treating victims who are uninsured
22 or whose care is reimbursed well below the cost of
23 providing care, putting the Nation's trauma care
24 system at-risk.

25 (5) Substantial uncompensated care costs are
26 distressing trauma centers and threatening the avail-

1 ability of lifesaving trauma services in numerous
2 areas across the Nation. Since 2000, 19 hospitals
3 have closed their trauma centers, and 10 others have
4 downgraded their trauma service by 1 or 2 levels.

5 (6) At a time when the threat of mass emer-
6 gencies is high, financial pressures are placing trau-
7 ma centers at serious risk. Trauma centers are re-
8 quired to respond to mass emergencies including
9 natural disasters, large-scale accidents, and terrorist
10 attacks. Trauma centers maintain a constant state
11 of readiness to serve distressed victims. Trauma cen-
12 ters must also maintain additional capacity and
13 strong health care facility connections with the local
14 and regional emergency care community to serve
15 their regions.

16 (7) Many trauma centers lack information tech-
17 nology that could improve the efficiency and effec-
18 tiveness of trauma care delivery and decrease the
19 costs of providing care by facilitating patient track-
20 ing and information flow, and strengthening patient
21 information sharing within the trauma center and
22 coordination among other health care providers.
23 Connecting trauma care centers using health infor-
24 mation technology is a part of the efforts to make

1 health information technology available especially in
2 medically underserved communities.

3 **SEC. 3. GRANTS FOR CERTAIN TRAUMA CENTERS.**

4 (a) GRANTS FOR CERTAIN TRAUMA CENTERS.—Sec-
5 tion 1241 of the Public Health Service Act (42 U.S.C.
6 300d–41) is amended to read as follows:

7 **“SEC. 1241. GRANTS FOR CERTAIN TRAUMA CENTERS.**

8 “(a) IN GENERAL.—The Secretary shall establish 4
9 programs to award grants to trauma centers meeting the
10 qualifications described in subsection (b). Of the 4 pro-
11 grams—

12 “(1) one shall be for grants to assist in defray-
13 ing substantial uncompensated care costs;

14 “(2) one shall be for grants to further the core
15 mission of the trauma center, including by defraying
16 costs associated with patient stabilization and trans-
17 fer, trauma education and outreach, coordination
18 with local and regional trauma systems, and essen-
19 tial personnel and other fixed costs;

20 “(3) one shall be for grants to provide emer-
21 gency relief to ensure continued and future avail-
22 ability of trauma service by—

23 “(A) trauma centers at risk of closing or
24 losing capacity to deliver trauma care;

1 “(B) centers operating in an area where a
2 closing or loss of trauma service availability has
3 occurred within their primary service area; or

4 “(C) centers in need of financial assistance
5 after the area in which they are located is af-
6 fected by a natural disaster or other cata-
7 strophic event, such as a terrorist attack; and

8 “(4) one shall be for grants to support the de-
9 velopment and maintenance of innovative informa-
10 tion technology systems, including through the use
11 of electronic health records and by facilitating the
12 interconnection of trauma care facilities (including
13 Internet-based connectivity) with other local and re-
14 gional health facilities, for the purpose of—

15 “(A) improving information sharing and
16 coordination between trauma centers, ambu-
17 lances, helicopters, and other health care pro-
18 viders, such as physician practitioners, commu-
19 nity health centers, rehabilitation facilities, to
20 facilitate continuity of care for trauma patients
21 throughout their recovery; and

22 “(B) improving patient tracking and infor-
23 mation flow within trauma centers and between
24 health facilities (including developing, updating,
25 and maintaining databases) to improve the

1 overall delivery of trauma care and community
2 health care.

3 “(b) MINIMUM QUALIFICATIONS OF CENTERS.—

4 “(1) PARTICIPATION IN TRAUMA CARE SYSTEM
5 OPERATING UNDER CERTAIN PROFESSIONAL GUIDE-
6 LINES.—Subject to paragraph (2), the Secretary
7 may not make a grant under subsection (a) unless
8 the trauma center involved is a participant in a sys-
9 tem that—

10 “(A) provides comprehensive medical care
11 to victims of trauma in the geographic area in
12 which the trauma center is located;

13 “(B) is established by the State or political
14 subdivision in which such center is located; and

15 “(C) has either adopted State guidelines
16 for the designation of trauma centers, and for
17 triage, transfer, and transportation policies, or
18 adopted guidelines equivalent to (or more pro-
19 tective than) the applicable trauma care des-
20 ignated guidelines developed by the American
21 College of Surgeons or utilized in the model
22 plan established under section 1213(c).

23 “(2) EXCEPTION.—The requirements of para-
24 graph (1) do not apply with respect to a trauma cen-

1 ter located in a State with no existing trauma care
2 system described in such paragraph.

3 “(3) PUBLIC OR NONPROFIT STATUS.—The
4 Secretary may not make a grant under paragraph
5 (1), (2), or (4) of subsection (a) unless the trauma
6 center involved is a public or nonprofit entity.

7 “(4) LEVELS OF CARE.—The Secretary may
8 not make a grant under subsection (a)(1) (relating
9 to uncompensated care costs) unless the trauma cen-
10 ter demonstrates to the Secretary’s satisfaction at
11 least one of the following:

12 “(A) At least 20 percent of the visits in
13 the emergency department of the hospital in
14 which the trauma center is located are ones for
15 which there is no insurance coverage or other
16 third-party payment.

17 “(B) At least 40 percent of the visits in
18 such emergency department are ones for which
19 there either is no such coverage or payment or
20 for which such coverage or payment is provided
21 only under the Medicaid program under title
22 XIX of the Social Security Act.

23 “(C) The average annual uncompensated
24 care costs in such hospital that are attributable
25 to visits for which there is no insurance cov-

1 erage or other third-party payment is at least
2 \$5,000,000 during each of the 3 most recent
3 fiscal years before the first fiscal year for which
4 the center is applying for the grant.

5 “(D) The trauma center qualifies for funds
6 under a low-income pool or safety net care pool
7 established through a waiver approved under
8 section 1115 of the Social Security Act.

9 “(c) SUBMISSION AND APPROVAL OF LONG-TERM
10 PLAN.—The Secretary may not make a grant under sub-
11 section (a)(1) of this section unless the trauma center in-
12 volved—

13 “(1) submits to the Secretary a plan satisfac-
14 tory to the Secretary that—

15 “(A) is developed on the assumption that
16 the center will continue to incur substantial un-
17 compensated care costs in providing trauma
18 care;

19 “(B) provides for the long-term continued
20 operation of the center at similar or greater lev-
21 els of medical care than in prior years notwith-
22 standing such uncompensated care costs;

23 “(2) agrees to implement the plan according to
24 a schedule approved by the Secretary; and

1 “(3) demonstrates that such center has policies
2 in place—

3 “(A) to assist patients who cannot pay for
4 all or part of the care they received, including
5 a sliding fee scale; and

6 “(B) to ensure fair billing and collection
7 practices.”.

8 (b) PREFERENCES IN MAKING GRANTS.—Section
9 1242 of the Public Health Service Act (42 U.S.C. 300d–
10 42) is amended to read as follows:

11 **“SEC. 1242. PREFERENCE IN MAKING GRANTS.**

12 “(a) SUBSTANTIAL UNCOMPENSATED CARE
13 COSTS.—In making grants under section 1241(a)(1), the
14 Secretary shall—

15 “(1) reserve 95 percent of the amounts allo-
16 cated pursuant to subsections (b)(1) and (c) of sec-
17 tion 1246 for grants to level I and level II trauma
18 centers;

19 “(2) reserve 5 percent of the amounts allocated
20 pursuant to subsections (b)(1) and (c) of section
21 1246 for grants to level III and level IV trauma cen-
22 ters;

23 “(3) if there are not sufficient qualifying cen-
24 ters to obligate the 95 percent reservation in para-
25 graph (1) or the 5 percent reservation in paragraph

1 (2), reallocate the funds for grants under section
2 1241(a)(1) to other qualifying centers; and

3 “(4) subject to paragraphs (1), (2), and (3), en-
4 sure that funding for grants under section
5 1241(a)(1) is divided equally among qualified appli-
6 cants.

7 “(b) CORE MISSION.—In making grants under sec-
8 tion 1241(a)(2), the Secretary shall—

9 “(1) reserve 25 percent of the amount allocated
10 pursuant to section 1246(b)(2) for grants to level III
11 and level IV trauma centers, but shall reallocate the
12 funds to level I and level II centers if there are not
13 sufficient qualifying level III and IV centers to obli-
14 gate the 25 percent set-aside; and

15 “(2) give preference to—

16 “(A) any application made by a trauma
17 center in a geographic area where growth in de-
18 mand for trauma services exceeds capacity, as
19 determined by the Secretary based on such fac-
20 tors as local and regional population trends,
21 loss or downgrading of neighborhood trauma
22 centers, loss or reduction of physician trauma
23 speciality availability, high malpractice liability
24 costs, or the necessity to provide physician on-
25 call pay; or

1 “(B) any application made by a trauma
2 center which demonstrates State or political
3 subdivision financial support.

4 For any of the purposes specified in section
5 1241(a)(2) for each fiscal year during which pay-
6 ments are made to the center from the grant, such
7 financial support may be demonstrated by, but is
8 not limited to, State or political subdivision funding
9 for the trauma center’s capital or operating expenses
10 including through State trauma regional advisory co-
11 ordination activities or Medicaid funding under title
12 XIX of the Social Security Act designated for trau-
13 ma services, or other governmental funding. State
14 funding derived from Federal support provided
15 through the Trauma Systems Planning Grants pro-
16 vided to States or political subdivisions does not con-
17 stitute State or local financial support for purposes
18 of preferential treatment under this section.

19 “(c) EMERGENCY RELIEF.—In making grants under
20 section 1241(a)(3), the Secretary—

21 “(1) shall give preference to any application
22 made by a trauma center that—

23 “(A) is providing trauma care in a geo-
24 graphic area in which the availability of trauma
25 care has either significantly decreased as a re-

1 sult of a trauma center in the area permanently
2 ceasing participation in such system as of the
3 date on which the application is submitted, or
4 where growth in demand for trauma services
5 exceeds capacity, as determined by the Sec-
6 retary based on such factors as local and re-
7 gional population trends, loss or downgrading of
8 neighboring trauma centers, loss or reduction of
9 physician speciality availability, high mal-
10 practice liability costs, or the necessity to pro-
11 vide physician on-call pay;

12 “(B) will, in providing trauma care during
13 the 1-year period beginning on the date on
14 which the application for the grant is sub-
15 mitted, incur uncompensated care costs in an
16 amount rendering the center unable to continue
17 participation in such system, resulting in a sig-
18 nificant decrease in the availability of trauma
19 care in the geographic area;

20 “(C) operates in a rural area where trau-
21 ma care availability will significantly decrease if
22 the trauma center is forced to close or down-
23 grade service and uncompensated care costs are
24 contributing to a likelihood of closure or down-
25 grade; or

1 “(D) the Secretary determines warrants fi-
2 nancial assistance if the trauma center is in a
3 geographic location substantially affected by a
4 natural disaster or other catastrophic event
5 such as a terrorist attack; and

6 “(2) shall reallocate any funds available for
7 grants under section 1241(a)(3), but not awarded
8 due to insufficient or a lack of qualified applications,
9 to grants under section 1241(a)(1).

10 “(d) INFORMATION TECHNOLOGY.—In making
11 grants under section 1241(a)(4), the Secretary shall—

12 “(1) make grants only to applicants who are eli-
13 gible to receive a grant under section 1241(a)(1);

14 “(2) give preference to qualified applicants
15 who—

16 “(A) demonstrate the greatest financial
17 need; and

18 “(B) are level I or level II centers; and

19 “(3) not make an award less than \$1,000,000
20 for a fiscal year unless such award would cover the
21 full cost of an applicant’s proposed project.

22 “(e) DESIGNATIONS OF LEVELS OF TRAUMA CEN-
23 TERS IN CERTAIN STATES.—In the case of a State which
24 has not designated 4 levels of trauma centers in the man-

1 ner described in this section, any reference in this section
2 to—

3 “(1) a level I or level II trauma center is
4 deemed to be a reference to a trauma center within
5 the highest two levels of trauma centers designated
6 under State guidelines; and

7 “(2) a level III or IV trauma center is deemed
8 to be a reference to a trauma center not within such
9 highest two levels.”.

10 (c) CERTAIN AGREEMENTS.—Section 1243 of the
11 Public Health Service Act (42 U.S.C. 300d–43) is amend-
12 ed to read as follows:

13 **“SEC. 1243. CERTAIN AGREEMENTS.**

14 “(a) COMMITMENT REGARDING CONTINUED PAR-
15 TICIPATION IN TRAUMA CARE SYSTEM.—The Secretary
16 may not make a grant under section 1241(a)(1) (relating
17 to uncompensated care costs) unless the trauma center in-
18 volved agrees that—

19 “(1) the center will continue participation in
20 the system described in section 1241(b)(1), except
21 as provided in section 1241(b)(2), throughout the
22 grant period; and

23 “(2) if the center violates the agreement made
24 pursuant to paragraph (1), the center will be liable

1 to the United States for an amount equal to the sum
2 of—

3 “(A) the amount of assistance provided to
4 the center under section 1241(a) for the fiscal
5 year involved; and

6 “(B) an amount representing interest on
7 the amount specified in subparagraph (A).

8 “(b) PERIOD OF CERTAIN GRANTS.—The period of
9 a grant under section 1241(a)(3) (relating to emergency
10 relief) shall be 3 fiscal years, except that the Secretary
11 may waive the application of this subsection to a trauma
12 center and authorize the center to receive payments under
13 such section for 1 additional fiscal year.

14 “(c) MAINTENANCE OF FINANCIAL SUPPORT.—With
15 respect to activities for which a grant under section 1241
16 is authorized to be expended, the Secretary may not make
17 such a grant unless the trauma center involved agrees
18 that, during the grant period, the center will maintain ac-
19 cess to trauma services at levels not less than the prior
20 year, taking into account reasonable volume fluctuation
21 not caused by—

22 “(1) intentional trauma boundary reduction or
23 downgrading of level; or

24 “(2) diversion of services in excess of 5 percent.

1 “(d) SUPPLEMENT, NOT SUPPLANT.—The Secretary
2 may not make a grant under section 1241 unless the trauma
3 center involved agrees that funds received through the
4 grant will be used to supplement and not supplant funding
5 otherwise available for the activities and costs described
6 in such section.

7 “(e) TRAUMA CARE REGISTRY.—The Secretary may
8 not make a grant under section 1241(a) unless the trauma
9 center involved agrees that—

10 “(1) the center will—

11 “(A) operate a registry of trauma cases in
12 accordance with guidelines developed by the
13 American College of Surgeons or similar guidelines
14 applicable to the center in the State involved; and
15

16 “(B) begin operation of the registry not
17 later than 6 months after the date on which the
18 center submits to the Secretary the application
19 for the grant; and

20 “(2) in carrying out paragraph (1), the center
21 will maintain information on the number of trauma
22 cases treated by the center and, for each such case,
23 the extent to which the center incurs uncompensated
24 care costs in providing trauma care.”.

1 (d) GENERAL PROVISIONS.—Section 1244 of the
2 Public Health Service Act (42 U.S.C. 300d–44) is amend-
3 ed to read as follows:

4 **“SEC. 1244. GENERAL PROVISIONS.**

5 “(a) APPLICATION.—The Secretary may not make a
6 grant under section 1241(a) unless an application for the
7 grant is submitted to the Secretary and the application
8 is in such form, is made in such manner, and contains
9 such agreements, assurances, and information as the Sec-
10 retary determines to be necessary to carry out this part.

11 “(b) LIMITATION ON AMOUNT OF GRANT.—The
12 amount of a grant under section 1241 for a fiscal year
13 may not exceed \$2,000,000.

14 “(c) ELIGIBILITY.—Receipt of or eligibility for a
15 grant under any 1 of the 4 grant programs described in
16 section 1241(a) shall not preclude a trauma center from
17 receipt of or eligibility for a grant under any of the other
18 programs described in such section.

19 “(d) NOTICE OF ELIGIBILITY.—The Secretary shall
20 annually determine and notify trauma centers of their eli-
21 gibility to receive a grant under section 1241.

22 “(e) REPORT.—Beginning 2 years after the date of
23 enactment of the National Trauma Center Stabilization
24 Act of 2008, and every 2 years thereafter, the Secretary
25 shall—

1 “(1) report to the Congress on the status of the
2 grants made pursuant to section 1241;

3 “(2) evaluate and report to the Congress on the
4 overall financial stability of trauma centers in the
5 United States;

6 “(3) report on the populations using trauma
7 care centers and include aggregate patient data on
8 income, race, ethnicity, and geography; and

9 “(4) evaluate the effectiveness and efficiency of
10 trauma care center activities using standard public
11 health measures and evaluation methodologies.”.

12 (e) DEFINITION.—Part D of title XII of the Public
13 Health Service Act (42 U.S.C. 300d–41 et seq.) is amend-
14 ed—

15 (1) by redesignating section 1245 as section
16 1246; and

17 (2) by inserting after section 1244 the fol-
18 lowing:

19 **“SEC. 1245. UNCOMPENSATED CARE COSTS DEFINED.**

20 “In this part, the term ‘uncompensated care costs’
21 means, with respect to a hospital, unreimbursed costs of
22 the hospital from serving patients for which there is either
23 no insurance coverage or other third-party payment or for
24 which such coverage or payment is provided only under
25 the Medicaid program under title XIX of the Social Secu-

1 rity Act, which are attributable to emergency care and
2 trauma care in the hospital—

3 “(1) including costs related to inpatient admis-
4 sions to the hospital subsequent to receiving such
5 care in the hospital; and

6 “(2) excluding payments under section 1923 of
7 the Social Security Act.”.

8 (f) AUTHORIZATIONS OF APPROPRIATIONS.—Section
9 1246 of the Public Health Service Act, as redesignated
10 by subsection (e), is amended to read as follows:

11 **“SEC. 1246. AUTHORIZATIONS OF APPROPRIATIONS.**

12 “(a) IN GENERAL.—For the purpose of carrying out
13 this part, there are authorized to be appropriated—

14 “(1) with respect to grants under paragraphs
15 (1), (2), and (3) of section 1241(a), \$100,000,000
16 for each of fiscal years 2009 through 2014; and

17 “(2) with respect to grants under paragraph (4)
18 of section 1241(a), \$25,000,000 for each of fiscal
19 years 2009 through 2014.

20 Authorizations of appropriations pursuant to this section
21 are in addition to any other authorizations of appropria-
22 tions available for carrying out this part.

23 “(b) FUNDING DISTRIBUTION.—Of the amount ap-
24 propriated pursuant to subsection (a)(1) for a fiscal year,
25 the Secretary shall reserve—

1 “(1) 70 percent for grants under section
2 1241(a)(1) (relating to substantial uncompensated
3 care costs);

4 “(2) 20 percent for grants under section
5 1241(a)(2) (relating to the core mission of a trauma
6 center); and

7 “(3) 10 percent for grants under section
8 1241(a)(3) (relating to emergency relief).

9 “(c) MINIMUM AMOUNT FOR SUBSTANTIAL UNCOM-
10 PENSATED CARE COSTS.—Notwithstanding subsection
11 (b), if the amount appropriated pursuant to subsection
12 (a)(1) for a fiscal year is less than \$25,000,000, such
13 amount shall be used exclusively for grants under section
14 1241(a)(1).”.

15 (g) CONFORMING AMENDMENT.—The heading of
16 part D of title XII of the Public Health Service Act (42
17 U.S.C. 300d–41 et seq.) is amended to read as follows:
18 “PART D—GRANTS FOR CERTAIN TRAUMA CENTERS”.

○