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F I S C A L   I M P A C T   R E P O R T

ORIGINAL DATE 1-28-06
SPONSOR Lujan **LAST UPDATED** 2-7-06 **HB** 266/aHBIC/aHAFC

SHORT TITLE Trauma System Fund Authority Act **SB**

ANALYST Collard

APPROPRIATION (dollars in thousands)

Appropriation		Recurring Or Non-Rec	Fund Affected
FY06	FY07		
See Administrative Implication		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 356

SOURCES OF INFORMATION
LFC Files

Responses Received From
Department of Health (DOH)
Human Services Department (HSD)
Aging and Long-Term Services Department (ALTSD)
Developmental Disabilities Planning Council (DDPC)
Higher Education Department (HED)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 266, as amended by the House Business and Industry Committee, strikes the appropriation contained in the bill.

Synopsis of HBIC Amendment

The House Business and Industry Committee amendment to House Bill 266 requires the trauma system fund authority to report annually, not only to the Health and Human Services Committee, but also the Legislative Finance Committee. Additionally, the amendment designates $2 million of the fund, previously intended to strengthen and stabilize the trauma system, to support other designated trauma centers and potential new centers.

Synopsis of Original Bill

House Bill 266 appropriates $6 million from the general fund to create the trauma system fund to provide funding to sustain existing trauma centers, support the development of new trauma centers and develop a statewide trauma system as follows: $4 million to support trauma services at the University of New Mexico hospital in the first year of the fund's existence; $2 million to strengthen and stabilize the trauma system; and no more than five percent of the fund may be used by DOH for administrative costs, including monitoring, trauma system development and technical assistance. Funds may be expended in fiscal year 2006 and subsequent fiscal years. The bill also creates the trauma system fund authority, consisting of nine members, representative of the state trauma needs that will develop criteria for, monitor and oversee distribution of the funds and report annually to the Health and Human Services Committee.

FISCAL IMPLICATIONS

The appropriation of $6 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of any fiscal year shall not revert to the general fund.

ALTSD notes the $6 million appropriation is a positive starting point to turn the situation around. However in subsequent years, additional funds may be required to adequately meet the needs of all New Mexicans, especially those in rural communities.

HED notes this bill would help secure improved funding for the University of New Mexico Hospital (UNMH), under the auspices of the UNM Health Sciences Center (HSC). Currently, HSC receives appropriations from the state legislature for healthcare at the university hospitals through line-items in the state budget. This method of funding creates challenges in accommodating increasing program size and costs for healthcare delivery. This bill would help address the impact of uncompensated care at the UNMH and other trauma centers. The bill would also help address the ability of HSC to build its academic programs and growing clinical revenues.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

DOH is in support of this bill, which came out of the interim work of the Health and Human Services Committee. The appropriation contained in this bill resulted from the Trauma Task Force Report. That report states:

> “[The] New Mexico trauma care system and services are on the brink of collapse. Trauma centers are facing a breakdown caused by the surge in patients, the decline of specialty physicians and nurses to provide care and the lack of funding to sustain trauma center designation. These facts motivated the New Mexico legislature to pass House Memorial 20 in the 2005 New Mexico Legislature. The Governor’s Trauma Task Force was created to make recommendations to address the crisis. Thirty-six physicians, hospital administrators, emergency medical personnel, insurers,

> Medicaid professionals, rehabilitation administrators, injury prevention specialists and others statewide served on the Governor's Trauma Task Force, meeting monthly to confront trauma system challenges."

DOH notes the bill defines a "statewide trauma system" as a coordinated continuum of care that includes injury prevention, emergency medical, acute care hospital and rehabilitative services and that is subject to accountability and system improvement. Such trauma system development would strengthen all health care statewide. The bill also identifies DOH as the responsible authority statutorily.

ALTSD indicates access to trauma centers is particularly significant to the brain injury population the department serves through both the Traumatic Brain Injury (TBI) Trust Fund and Mi Via (self-directed waiver brain injury services), and to the general population that will need trauma services because of brain injury.

ALTSD states strategically placed trauma centers throughout New Mexico with specialty trained medical staff can reduce fatalities and long-term disabilities related to TBI. Quick response during the "golden hour" (the first hour after a TBI) can make the difference between death, living with a life-long disability and significant recovery.

New Mexico's current trauma system is ill equipped to provide TBI patients with adequate specialty treatment that could save their lives and prevent them from having long-term disabilities.

PERFORMANCE IMPLICATIONS

DOH indicates the bill is consistent the Epidemiology and Response program's objective #1: To improve the state's capacity to respond to public health emergencies.

ADMINISTRATIVE IMPLICATIONS

DOH notes five percent of the fund may be used by DOH for administrative costs, including monitoring, trauma system development and providing technical assistance to include the creation of at least 2 new FTEs and maintenance of 2 existing FTEs currently funded through federal grants and contracts. DOH also notes existing trauma rules and regulations will need to be revised and promulgated prior to fund distributions.

DUPLICATION

House Bill 266 duplicates Senate Bill 356.

OTHER SUBSTANTIVE ISSUES

ALTSD research indicates the Centers for Disease Control and Prevention (CDC) estimate that 5.3 million Americans currently have long-term or a lifelong need for services because of a TBI related disability. Fifty thousand people in the U.S. will die from a traumatic brain injury this year.

When a brain receives a traumatic injury, its first response is to swell into the cavity of the skull. Because the skull doesn't allow the brain to expand, the swelling causes the destruction of blood

vessels, cuts off oxygen to the brain and cells begin to perish. As cells die there is an additional release of chemicals that destroy other neurons (National Transportation Safety Board). Trauma medical teams can often stop or reverse the process before permanent damage or death occurs if the person receives trauma care within the "golden hour."

Brain injury related deaths and no-fatal traumatic brain injuries are significantly high risk factors in New Mexico. A CDC study of persons with TBIs conducted in seven other states indicated that 16.9 percent died before being admitted to the hospital. Of those that were admitted an additional 5.6 percent died while receiving acute care. Approximately 35 percent of those hospitalized experienced the onset of long-term disability. (National Highway Traffic Safety Administration [NHTSA]).

More than half of the New Mexico's population lives in rural areas. The likelihood that a motor vehicle crash will result in a fatality is between three and eight times greater for rural residents over those that live in urban areas (*Journal of Head Trauma, Rehabilitation/November-December 2003*). This is due to two major factors in this state: the additional response time it takes to transport an individual from a rural area, and not having adequately trained trauma specialists available regionally. It is not unusual for a New Mexican that sustains a TBI to be transported to a local hospital only to be transported to a trauma center hours and sometimes days later, far past the "golden hour" window.

Nationally, 24 percent of crashes occur on rural roads, but nearly 59 percent of crash deaths occur on rural roads. "Delay of delivering emergency medical services is one of the factors contributing to the disproportionately high fatality rate for rural crash victims." The average elapsed time from rural crash to a hospital (not necessarily a trauma center) is rarely within the "golden hour". (NHSTA, study conducted in Arizona, Louisiana, Michigan, Montana, Nevada, North Dakota, Texas and Wyoming).

Vehicle crashes cause less than 25 percent of all TBIs. Other TBI causes include injuries from: firearms, falls, shaken baby syndrome, assaults and sports accidents. Virtually every person that sustains a TBI, no matter the cause, requires quick specialized care in close proximity to the scene of the injury.

Only 60 percent of New Mexico's citizens are in close proximity (within 90 miles) to a trauma centers. Currently New Mexico has only three trauma centers: one level one at UNMH in Albuquerque and two level threes in Santa Fe and in Farmington (New Mexico Trauma Care Crisis 2006, report responding to House Memorial 20). Optimum trauma services for persons with TBI are complex and require a neurologist and neurosurgeons on call 24 hours, triage medical staff, fast transport and specialty treatment to turn the situation around. UNMH is often the only trauma center in the state that is staffed and able to treat TBI quickly and adequately. Many are transported to El Paso, Lubbock, Tucson and even Denver. Trauma care rarely happens within the "golden hour."

DDPC indicates New Mexico is experiencing an injury and trauma care crisis. New Mexico has the highest unintentional death rate in the nation and is tied for first in violent death rates. New Mexico has the highest mortality rate in the United States for traumatic brain injury. Brain injury is the leading cause of death and disability for people under the age of 45. Every 21 seconds someone in the United States sustains a traumatic brain injury, and each year 1.5 to 2 million people sustain a traumatic brain injury as a result of DUI, domestic violence, sports injuries and

falls. Trauma accounts for more years of lost productivity before age 65 than heart disease, cancer and stroke combined.

DDPC research indicates, in addition to the high volume of injuries and associated costs, there is a shortage of qualified physicians, nurses and trauma related specialists. Trauma centers must maintain continual in house or on call coverage by 15 different medical specialists who must meet additional training requirements. There is a significant shortage of these specialists in New Mexico. An example: New Mexico has only five pediatricians who have completed a fellowship post residency in pediatric emergency care. All five physicians are at UNMH and two arrived only recently. One of the two groups at highest risk for TBI are zero-to-four year olds.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

DDPC notes the nationally recommended ratio for a major level one trauma center is 1 per 500,000 people. New Mexico has one major trauma center for the entire population of 1.8 million. Citizens don't have access to timely and specialized care that will best address their needs and increase their likelihood of an optimal recovery. According to the CDC the direct medical costs and indirect costs such as lost productivity of TBI totaled an estimated $56.3 billion in the United States in 1995. Timely and specialized care is crucial in order to reduce lifelong disability related costs and increase the productivity and quality of life of persons with brain injury.

KBC/nt:yr