

Report on Uncompensated Trauma Care

**As Required by
2024-25 General Appropriations Act,
House Bill 1, 88th Legislature
Regular Session, 2023**

**Texas Health and Human Services
Commission**

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Executive Summary

The 2024-25 General Appropriations Act (GAA), House Bill 1, 88th Legislature, Regular Session, 2023 (Article II, Health and Human Services Commission, Rider 37) states:

Out of funds appropriated above, the Health and Human Services Commission (HHSC) shall issue a report on uncompensated trauma care provided throughout Texas. The report shall provide information on:

- (a) The amount of funds hospitals receive through governmental entities for uncompensated trauma care; and*
- (b) Payments received by physicians or physician groups for providing medical care to uninsured trauma patients.*

HHSC shall submit a report with findings to the Senate Committee on Finance, the House Committee on Appropriations, the Legislative Budget Board, the Lieutenant Governor, the Speaker of the House, and the Office of the Governor by December 1, 2024.

HHSC has researched and evaluated available data and is unable to provide the payments for uncompensated care specific to trauma care at the detail level requested. Further explanation is included in the report below.

Uncompensated Care

The Disproportionate Share Hospital (DSH) program was established as part of the Omnibus Budget and Reconciliation Act of 1981. Its primary goal was to move away from the cost-based reimbursement system while ensuring that hospitals providing substantial amounts of uncompensated care (UC) to uninsured or underinsured patients were not adversely affected (Centers for Medicare & Medicaid Services [CMS], 2024). This was to delink Medicare payment levels from Medicaid hospital payments (Medicaid and CHIP Payment and Access Commission, 2023). CMS established the use of the Healthcare Cost Reporting Information System (HCRIS), which providers use to report their Medicare and Medicaid payments along with facility, personnel, and uncompensated care costs.

Provider Enrollment

Texas providers wishing to participate in the DSH and/or UC program must enroll and comply with requirements found in 1 Texas Administrative Code (TAC) Section 355.8212 (c)(1)(F). HHSC will use the provider's HCRIS cost report along with the DSH UC application. This application contains patient level detail, which is included in the HCRIS S-10 worksheet relating to uninsured charity amounts. Inside the HCRIS cost report and DSH UC application, providers are asked about adjustments for physicians, pharmacy costs, uninsured charity care, and supporting documentation such as time studies and contracts (HHSC, 2024). This data is broken down into different segments of a provider's services (dental, general care, emergency department, inpatient, and outpatient care). The HCRIS and HHSC DSH UC applications do not break the data down into trauma and non-trauma treatment care and costs.

Designated Trauma Facility/Emergency Medical Services

The Texas Department of State Health Services (DSHS) uses authority under Texas Health and Safety Code Section 780.004 to distribute funds in the Designated Trauma Facility/Emergency Medical Services Account (Fund 5111) to fund a portion of uncompensated care. Under Texas Health and Safety Code Section 773.122, DSHS distributes funds in the Emergency Medical Services, Trauma Facilities, Trauma Care Systems Account (Fund 5108) and Emergency Medical Services, and Trauma Care Systems Account (Fund 5007) to fund a portion of uncompensated trauma care provided at hospitals designated as state trauma facilities (DSHS, 2024). While there is no funding directed to Physicians or Physician Groups, DSHS distributed \$10,202,312 to hospitals for uncompensated trauma care in state fiscal year 2022.

Conclusion

The 2024-25 GAA, House Bill 1, 88th Legislature, Regular Session, 2023 (Article II, HHSC, Rider 37) is requesting a report on the uncompensated trauma payments out of the funds appropriated to HHSC in strategy B.1.1.1. HHSC does not have a source that provides this level of detail. This data is not available as distinct elements in the federal HCRIS cost reports. It is also not specified in the DSH UC application for providers wishing to participate voluntarily, as HHSC looks at all services to provide supplemental payment to offset uncompensated care burdens on providers but not trauma specifically. HHSC uncompensated care payments data does not currently have a way to distinguish between trauma and non-trauma services.

List of Acronyms

Acronym	Full Name
CMS	Centers for Medicare & Medicaid Services
DSH	Disproportionate Share Hospital
DSHS	Department of State Health Services
GAA	General Appropriations Act
HCRIS	Healthcare Cost Reporting Information System
HHSC	Texas Health and Human Services Commission
TAC	Texas Administrative Code
UC	Uncompensated Care

References

1. Centers for Medicare & Medicaid Services. (2024, May). *Disproportionate share hospital (DSH)*. <https://www.cms.gov/medicare/payment/prospective-payment-systems/acute-inpatient-pps/disproportionate-share-hospital-dsh>
2. Medicaid and CHIP Payment and Access Commission. (2023, July). *Disproportionate share hospital payments*. <https://www.macpac.gov/subtopic/disproportionate-share-hospital-payments/>
3. Texas Health and Human Services Commission. (2024). *Disproportionate share and uncompensated care application*. <https://pfd.hhs.texas.gov/sites/rad/files/documents/hospital-svcs/2024/2024-dsh-uc-app-webinar.pdf>
4. Texas Department of State Health Services. (2024). *Uncompensated trauma care application*. Texas Health and Human Services. <https://www.dshs.texas.gov/dshs-ems-trauma-systems/ems-trauma-system-Uncompensated-Trauma-Care-Application>