
SUBJECT: Establishing the emergency medical services and trauma care system fund

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 7 ayes — Craddick, Ramsay, Holzheuser, Oliveira, Stiles, Thompson, Williamson
3 nays — Heflin, Horn, Telford
1 absent — Grusendorf

SENATE VOTE: On final passage, May 1 — voice vote

WITNESSES: For — Bill Rasco; Darwin Goodspeed; Mary Ceverha; Ronald M. Stewart; S. Dale Ousley
Against — None

BACKGROUND : The Texas statewide trauma system consists of 22 regional service areas, each governed by a regional advisory council, and 60 designated hospital facilities providing emergency medical services and trauma care. The Bureau of Emergency Management in the Texas Department of Health is responsible for developing a statewide emergency medical services delivery system plan, regulating EMS personnel and providers, designating trauma facilities, and assisting in the development of trauma systems.

DIGEST: SB 102 would create an emergency medical services and trauma care system fund in the state treasury with revenues received from an additional \$2 fee on the issuance or renewal of commercial driver's licenses and permits, motorcycle licenses, provisional licenses, instruction permits, occupational licenses and other noncommercial licenses.

Money within the fund could be appropriated only to the Texas Department of Health (TDH) to fund county and regional emergency medical services and trauma systems. The commissioner of health would have to maintain a reserve of \$250,000 for extraordinary emergencies. SB 102 would require that the remaining balance be allocated according to the following formula:

- At least 70 percent to counties to fund supplies, operational expenses, education and training, equipment, vehicles and communications systems for local emergency medical services. A county's share of the money would be based on its relative geographic size and population, and the county would have to distribute the money on behalf of eligible recipients. Money not disbursed would have to be returned at the end of the fiscal year.
- Up to 25 percent to the state's 22 trauma service areas, with distribution based on the relative geographic size and population of each trauma service area and the relative amount of trauma care provided. Money not disbursed would have to be returned at the end of the fiscal year.
- Up to three percent for administrative costs of the Bureau of Emergency Management.
- At least two percent to fund uncompensated trauma care provided at facilities designated as state trauma facilities. Funds could be disbursed to trauma hospitals based on their proportionate share of uncompensated trauma care and could be used to fund innovative projects to enhance the delivery of trauma care.

TDH would have to review the percentages for disbursing funds throughout the emergency medical services and trauma care system and make recommendations for proposed changes to ensure that funding was appropriate and fair. Counties, municipalities, or local recipients that used funds in violation of the conditions set on the disbursement would be ineligible for funding for one to three years.

County chief executives would have to authorize use of funds distributed to their counties through vouchers issued by the county treasurer. In counties with populations of 291,000 or more, money distributed from the fund would have to be used on the joint authorization of the county's chief executive officer and the mayor of the principal municipality. This provision would apply to Harris, Dallas, Bexar, Tarrant, El Paso, Travis, Hidalgo, and Nueces counties.

The bill would take effect September 1, 1997.

**SUPPORTERS
SAY:**

SB 102 would establish a permanent, stable source of funding for emergency medical systems in Texas, which to date have depended primarily on grants, donations and local support. The 71st Legislature mandated the development of a statewide system, but the Legislature has never funded that mandate. By establishing a dedicated fund and appropriations, this bill would help transform statewide inconsistencies and gaps in services or coverage into a consistent, high quality safety net of public protection and emergency response.

A dedicated fund and specified allocation scheme are necessary to guarantee long-term funding to local governments and services, an essential component for making long-range system development plans and financial arrangements. The provisions of SB 102 recognize the importance of emergency and trauma care and the expectations of the general public to have the safety-net assurance of receiving the highest quality of care no matter where they may become injured in Texas. Despite the trend toward funds consolidation and elimination, emergency medical and trauma services warrant special dedicated funding.

Expenditures on emergency and trauma care system development can save lives and prevent higher, publicly funded medical costs in the future. Trauma is the leading cause of death of persons aged 1 to 44 years, and for every trauma victim who dies, at least six are seriously injured. Many people who become disabled as a result of their injuries become dependent to some degree on federal, state and local assistance.

An additional \$2 fee imposed on driver's licenses would be a relatively small and acceptable price to pay for a consistently well run, up-to-date, statewide emergency system. Driver's license fees are an appropriate source of funding because of the high prevalence and costs of trauma due to car accidents. In 1995 there were over 300,000 motor vehicle crashes and injuries, and for the past 10 years Texas has annually experienced over 3,000 fatalities due to motor vehicle accidents.

The fees would not cover all system costs, but they would help out and would generate more than \$8 million per year during the next five years.

After the \$250,000 reserve was subtracted, about \$5 million would be available for local emergency medical services, \$2 million per year for the 22 trauma service areas, about \$200,000 for bureau administrative costs and almost \$200,000 to fund uncompensated care at state trauma facilities. It is estimated that annual county grants would range from \$1,000 to \$200,000 based on their relative geographic size and population.

**OPPONENTS
SAY:**

Emergency medical services and trauma care system development may need funding, but a \$2 fee on driver's licenses is not the way to raise money. Driver's license fees are already too high, and legislation has been sent to the governor (HB 1200 by Cuellar) that would make driver's license fees as high as \$85 for some young adults.

There are other ways of allocating funds to this cause, such as funneling a portion of the 911 surcharge on phone bills or through direct, general revenue appropriations to the department.

This bill would establish a dedicated account, which would complicate state accounting and revenue oversight and tie the hands of the Legislature in channeling appropriations toward shifting or evolving state priorities. The bill also would place in statute explicitly defined allocation schemes that would be too inflexible to meet unexpected changes in emergency medical services or regional needs. For example, a major disaster could create an extraordinary funding demand in one area of the state, which would be unmet by this source and allocation of funds.

**OTHER
OPPONENTS
SAY:**

SB 102 might not be able to accomplish its stated purpose because of other legislation concurrently being considered this session. HB 2948 by S. Turner would abolish most funds or accounts created or re-created by an act of the 75th Legislature as a measure to continue the undertaking started by the 72nd Legislature to simplify and make more flexible state fund accounting and appropriations.

Furthermore, the bill would not generate enough money to help out local governments and providers. Even in a small county, a \$1,000 grant would

not go very far toward purchasing sophisticated supplies or equipment, and \$200,000 for trauma facilities would at most cover only the cost of a few uncompensated trauma cases.