

# MISSISSIPPI STATE DEPARTMENT OF HEALTH

## Trauma Care Trust Fund Distribution

January 1, 2016 through June 30, 2016

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## D I S C L A I M E R

This report is prepared for the purpose of providing the Mississippi Department of Health, Bureau of Acute Care Systems, with our calculation of allocations made in accordance with the Trauma Care Trust Fund Distribution Policy for the six-month period ended June 30, 2016. Distribution and use of this report, including the calculations presented herein, should be limited to and consistent with HORNE's contract with the Mississippi State Department of Health, Bureau of Acute Care Systems, for the contract term commencing July 1, 2016.

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January 31, 2017

Mr. David B. Hall, MA, NRP  
Director, Bureau of Acute Care Systems  
Mississippi State Department of Health  
310 Airport Road South, Suite B  
Pearl, MS 39208

Re: Trauma Care Trust Fund Distribution

Dear Mr. Hall:

Pursuant to your request and in accordance with our contract with the Mississippi State Department of Health, Bureau of Acute Care Systems (“ACS”), for the term commencing July 1, 2016, we have performed documentation of the following services (collectively, “Fund Allocations”) in accordance with the Mississippi Trauma Care Trust Fund Distribution Policy:

- Determine allocation for each of the seven Mississippi Trauma Care Regions (“Regions”)
- Determine allocation for each designated trauma center by Region
- Submit complete information to ACS to allow ACS to make proper disbursements

The accompanying report is prepared for the purpose of providing the Mississippi Department of Health, Bureau of Acute Care Systems, with our calculation of the Fund Allocations for the six-month period ended June 30, 2016 for purposes of documentation of compliance with the Mississippi Trauma Care Trust Fund Distribution Policy. While this report presents our calculation of the Fund Allocations, it is not intended to represent an attestation to or a legal opinion on the matters addressed herein. This report has been revised to incorporate the mandated budget reduction of 2.3037 percent.

Mr. David B. Hall, MA, NRP  
Director, Bureau of Acute Care Systems  
Mississippi Department of Health  
January 31, 2017  
Page 2

We appreciate this opportunity to be of assistance to you in providing this calculation. Should you have any questions or comments regarding the information presented above, please do not hesitate to contact us.

Sincerely,

HORNE LLP

A handwritten signature in black ink, appearing to read "G. D. Anderson", with a stylized flourish at the end.

Gregory D. Anderson, CPA/ABV, CVA  
Partner

GDA/dlm

Enclosures

Q:\Health Care\HEA4004243 Bureau of Emergency Medical Services - Trauma\2016\Jan - June 2016

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### DISTRIBUTION SUMMARY

The following summary represents an overview of the Net Total Funds Available for Distribution for the six-month period ended June 30, 2016 as provided by the Mississippi Department of Health in accordance with the Trauma Care Trust Fund Distribution Policy (“Distribution Policy”).<sup>1</sup>

Total Distribution Summary	January 1 - June 30
Level IV Administrative Support	\$ 600,000
EMS Component Distribution Total	1,463,372
Level I – Level III Fixed Distribution Total	2,926,742
Level I – Level III Variable Distribution Total	4,877,904
Burn Fund	487,790
<b>Total Distribution</b>	<b>\$ 10,355,808</b>

Region Allocation	Hospital Distribution	EMS Distribution	Total
Central	\$ 2,204,553	\$ 364,009	\$ 2,568,562
Coastal	1,392,521	190,548	1,583,069
Delta	1,611,620	281,693	1,893,313
East Central	558,321	87,822	646,143
North	1,703,243	265,265	1,968,508
Southeast	1,104,895	191,310	1,296,205
Southwest	317,283	82,725	400,008
<b>Totals <sup>(3)</sup></b>	<b>\$ 8,892,436</b>	<b>\$ 1,463,372</b>	<b>\$ 10,355,808</b>

Based on the Total Funds Available for Distribution, we have performed documentation of the following services (collectively, “Fund Allocations”) in accordance with the Distribution Policy:

- Determine allocation for each of the seven Mississippi Trauma Care Regions
- Determine allocation for each designated trauma center by Trauma Care Region
- Submit complete information to ACS to allow ACS to make proper disbursements

For a summary of the Allocations made in accordance with the Distribution Policy, please refer to the Schedule 1 in Appendix C.

<sup>1</sup> Mississippi Trauma Care System Regulations, Chapter 1, Sub-chapter 3. Total Distribution includes mandated budget cut of 2.3037%.

## HISTORY AND BACKGROUND

### The History of the Trauma Care Trust Fund

In 1994, Mississippi Attorney General Mike Moore initiated a lawsuit against 13 tobacco companies, arguing that they should reimburse the state for the costs of treating smoking related illnesses. The settlement was worth \$246 billion, with Mississippi receiving \$4.1 billion.

The Mississippi legislature put those funds into a “lockbox,” and planned to utilize only the interest earned on the money, leaving the corpus untouched. These designated interest funds were to be expended only on health-related initiatives in the state. One of those initiatives was the Trauma Care Trust Fund (“TCTF”). Administered by the Mississippi State Department of Health (“MSDH”), Division of Emergency Medical Services (“EMS”), the Fund received \$6 million annually from the tobacco expendable fund and additional monies from assessments on fines paid by moving traffic violators.

### The Trust Fund Today

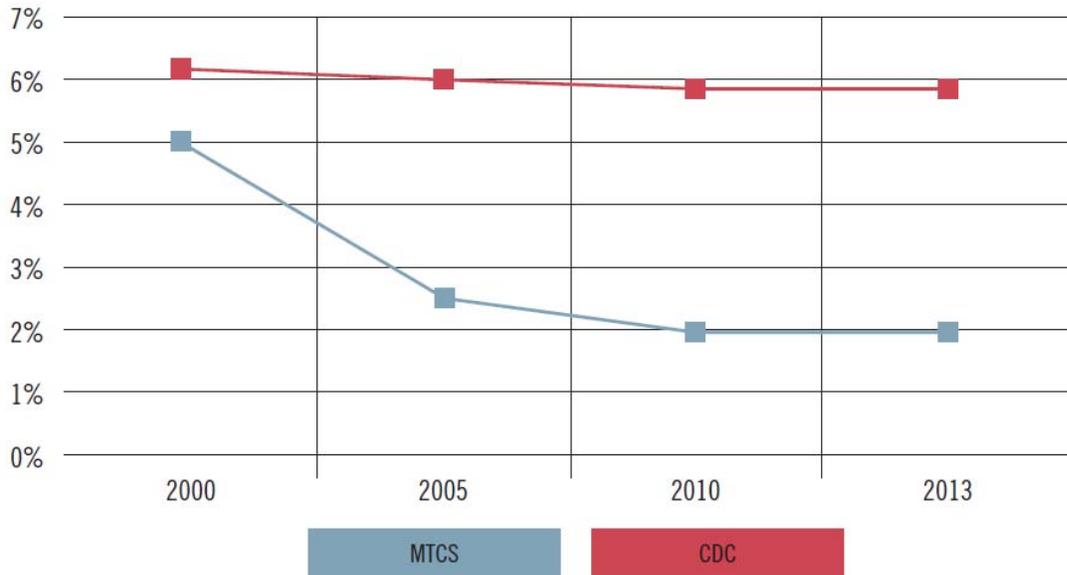
A 2007 report by the Center for Mississippi Health Policy called for changes to the state’s trauma system, and recommended a minimum funding level of \$40 million to maintain the trauma care system at adequate levels. In the 2008 legislative session, HB 1405 created a mandatory trauma system, requiring all hospitals to participate in the trauma network as a condition of licensure. (This mandatory system is the only one of its kind in the nation.) A hospital that chooses not to participate in the trauma network, or chooses to participate at a level lower than it is capable of participating, is assessed a fine ranging from \$758,000 to nearly \$1.5 million. These fees came to be known as “play or pay” fees.

As the tobacco expendable fund dwindled, new funding sources for TCTF were required. Currently, the Mississippi TCTF is funded through legislatively mandated portions of traffic fines, license plate fees and point-of-sale fees on motorcycles, ATVs, and personal watercraft. In addition, the aforementioned hospital non-participation fees aka “play or pay” fees also provide funding to the TCTF. Pursuant to the change in funding sources within the TCTF, the distribution system was changed in 2009. The TCTF is now managed by the Department of Health’s Bureau of Acute Care Systems, which continues to use the Fund to cover administrative expenses of the system while distributing the remaining balance to trauma centers and ambulance districts. Qualified burn centers also receive funding from the TCTF. Level I – III hospitals and burn centers are required to expend 30 percent of their allocated funds on their physician component.

The purpose of the Mississippi Trauma Care System, defined by law, is to “reduce the death and disability resulting from traumatic injury.” Every Mississippi hospital with an emergency room must maintain a trauma registry, which captures detailed information about patients whose injury meets the clinical criteria as defined by the state. This information, uploaded to the Department of Health monthly, is used to help assure that patients have access to and are transported to the closest, most appropriate trauma facility, and also is used as part of the performance improvement process.

According to a Mississippi Trauma Care System 2014 Fact Sheet, Mississippi has the only functioning mandatory trauma system in the country and is nationally recognized as a model system. There is no question that a well-functioning trauma system saves lives. Mississippi trauma deaths are well below national averages based on percentage of deaths per patient population:

**PERCENTAGE OF DEATHS PER TRAUMA PATIENT POPULATION  
 NATIONAL VS. MISSISSIPPI**



*(MTCS – Mississippi Trauma Care System, CDC-Centers for Disease Control national data)*

Even though the trauma patient population has grown three-fold from 2000 to 2010, the overall number of deaths due to trauma has remained fairly stable, further demonstrating a reduction in the trauma death rate.

	2000	2010
Trauma Patient Population	8,590	25,457
Trauma Deaths	440	504
Percentage of Deaths per Patient Population	5.12%	1.97%

*Mississippi Trauma Care System 2014 Fact Sheet*

### TOTAL AVAILABLE FOR DISTRIBUTION

Biannually the Trauma System Administrator obtains the Trauma Care Systems Fund balance from the State Treasurer to be distributed to eligible trauma centers located in the following designated trauma regions (“Regions”):

- Central
- Coastal
- Delta
- East Central
- North
- Southeast
- Southwest

In accordance with the Distribution Policy,<sup>2</sup> an allocation of the fund balance is available for distribution to eligible trauma centers<sup>3</sup> within each Region based on patient trauma registry data for the six-month periods ended June 30<sup>th</sup> and December 31<sup>st</sup>. Each allocation is distributed based on half of the fund balance less pre-determined administrative adjustments. In particular, the fund balance is reduced by the MSDH and each Region’s administrative expenses associated with the trauma care system. In calculating the distribution for the six-month period ended June 30<sup>th</sup>, the remaining fund balance is adjusted for an annual stipend paid to eligible Level IV trauma centers consisting of \$10,000 per facility. For a list of qualifying Level IV trauma centers as provided by ACS, please refer to Appendix B.

The remaining fund balance determined by ACS (“Total Available for Distribution”) is provided to HORNE for calculation of the Fund Allocation for each designated trauma center by Region as described below.

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<sup>2</sup> Rule 1.3.5, Miss. Code Ann. §41-59-5.

<sup>3</sup> Eligible Level IV trauma centers constitute facilities that maintain licensing and participation requirements as determined by the Department and applicable Region.

## FUND ALLOCATION METHODOLOGY

In accordance with the Distribution Policy, the remaining Fund balance is available for distribution to EMS providers, Level I through Level III trauma centers, and the state's burn center as follows:

### EMS Component Distribution

Fifteen percent of the Net Total Available for Distribution is allocated to each Region for EMS providers based on the Region's respective county populations presented below.<sup>4</sup>

Small County Distribution – EMS Component funds are allocated for counties with respective populations fewer than 15,000 (“Small Counties”) on a *per capita* basis. The Small County distribution is determined based on a sum of the following:

- A dedicated portion equal to 3.015 percent of the total EMS Component fund was utilized to result in a small county distribution less than or equal to the disbursement received by the Large County with the population closest to or equal to 15,000 in accordance with Rule 1.3.6. of the Distribution Policy.
- The total Small County population as a percentage of the total state population multiplied by the total EMS Component fund.

Large County Distribution – The EMS Component funds, less the Small County Distribution, are allocated for counties with respective populations greater than 14,999 (“Large Counties”) based on the population size of each individual Large County relative to the aggregate population of Large Counties.

For details of our calculation of the allocation for EMS Component funds, please refer to Schedule 2.

### Level I through Level III Distribution

#### Variable Distribution

Fifty percent of the Net Total Available for Distribution is allocated among the Regions based on patient data collected in the trauma registry's Injury Severity Score (ISS) index for each trauma center. Funds are distributed based on each facility's specific ISSs which are weighted relative to the total ISS scores for all Level I – III trauma centers as presented below:<sup>5</sup>

ISS Severity Score	Severity Score Weight
1 – 9	1.02
10 – 15	2.02
16 – 24	3.80
> 24	6.57

<sup>4</sup> Rule 1.3.6, Miss. Code Ann. §41-59-75.

<sup>5</sup> Rule 1.3.8, Miss. Code Ann. §41-59-75.

For a list of eligible Level I – III trauma centers, please refer to Appendix B. For details of our calculation of the variable distribution allocation, please refer to Schedules 3 through 4.

#### Hospital Fixed Distribution

Thirty percent of the Net Total Available for Distribution is allocated *pro rata* to Level I, Level II, and Level III trauma centers based on their respective designations during the distribution period in conjunction with the following relative weights:<sup>6</sup>

Trauma Designation	Relative Weight
Level I	1.000
Level II	0.875
Level III	0.625

For a list of eligible Level I – III trauma centers, please refer to Appendix B. For details of our calculation of the fixed distribution allocation, please refer to Schedule 5.

#### Physician Component Distribution

In accordance with the Distribution Policy, a minimum of 30 percent of each total hospital payment is required to fund the physician component for each Level I –III trauma center. A summary of fixed and variable distribution components for each eligible facility, including the respective Region and physician component is presented on Schedule 3.

#### Burn Center Fund

Five percent of the fund balance is reserved for burn centers operating in the state. However, if no such burn centers exist, this amount is included in the fixed trauma center distribution. For a summary of the allocation for Burn Center funds, please refer to Schedule 1.

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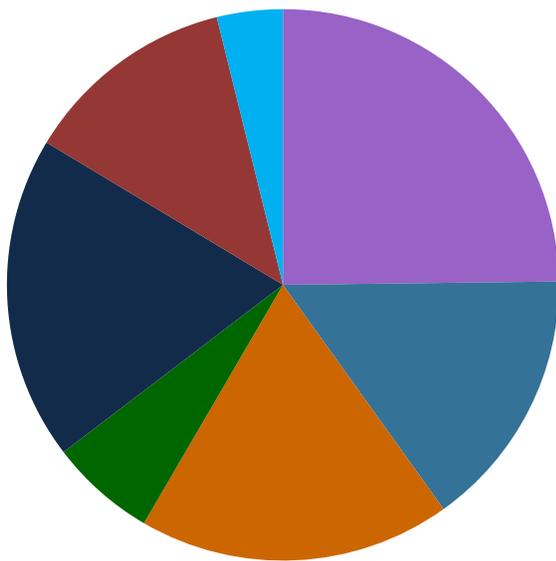
<sup>6</sup> Rule 1.3.7, Miss. Code Ann. §41-59-75.

**Regional Distribution Summary**

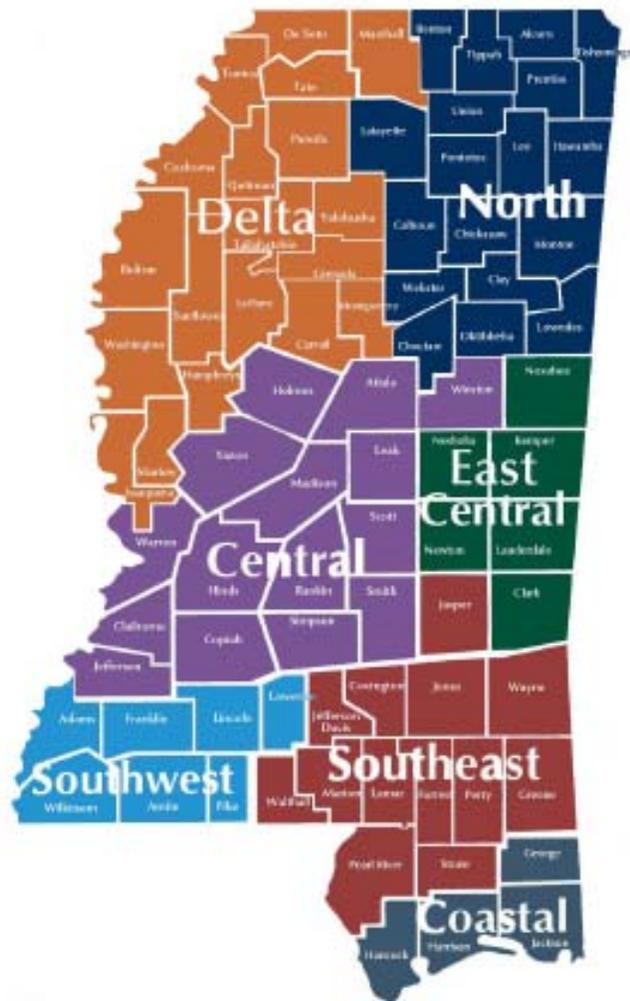
A summary of the EMS Component fund allocation and Level I – III hospital fund allocations for each Region is presented on Schedule 6.

Summaries of the Level I – III hospital fund allocations and physician payment component for each Region are presented in Schedules 7 through 13, and a summary of each Region’s EMS distribution allocation, by county, is presented in Schedules 14 through 20.

**Allocation of Total Fund Distribution by Region**



- Central
- Coastal
- Delta
- East Central
- North
- Southeast
- Southwest



Source: MSDH State Trauma Plan (2014)

## APPENDIX A – SOURCES OF INFORMATION

- Mississippi Trauma Care System Regulations, Title 15: Mississippi Department of Health, Part 12: Bureau of Emergency Medical Services, Subpart 32: Trauma System. Accessed at [http://msdh.ms.gov/msdhsite/\\_static/resources/4458.pdf](http://msdh.ms.gov/msdhsite/_static/resources/4458.pdf).
- *Mississippi Trauma Care System Fact Sheet*. Mississippi Department of Health (2014). Accessed at [http://msdh.ms.gov/msdhsite/\\_static/resources/4648.pdf](http://msdh.ms.gov/msdhsite/_static/resources/4648.pdf).
- *Descriptive Review of the Mississippi Trauma Care Systems Fund*. Joint Legislative Committee on Performance Evaluation and Expenditure Review (2013).
- Hariel, Shane and Granberry, Erin. *Financial Health of the Mississippi Statewide Trauma Program for Hospital Providers* (2015).
- Total Funds Available for Distribution for the period January 1, 2016 through June 30, 2016 as provided by ACS.
- Mississippi County Populations based on 2000 Census data reported by the United States Census Bureau.
- Injury Severity Score (“ISS”) and Severity Index for Level I – III hospitals in the Trauma Care System based on patient data for the six-month period ended June 30, 2016 as provided by ACS.
- Mississippi Trauma Care System Designated and Undesignated Hospitals memo as provided by ACS on January 9, 2017.
- Other sources as cited within this report.

**APPENDIX B - MISSISSIPPI DESIGNATED TRAUMA CENTERS  
EFFECTIVE JANUARY THROUGH JUNE 2016**

*Level I (4 Hospitals)*

Le Bonheur Children's Hospital –  
Memphis, TN (Tertiary Pediatric)  
Regional One Health – Memphis, TN  
University Medical Center – Jackson,  
MS  
University of South Alabama – Mobile,  
AL

*Level II (3 Hospitals)*

Forrest General Hospital  
Memorial Hospital of Gulfport  
North Mississippi Medical Center

*Level III (15 Hospitals)*

Anderson Regional Medical Center  
Baptist Memorial Hospital – DeSoto  
Baptist Memorial Hospital – Golden  
Triangle  
Baptist Memorial Hospital – North MS  
Delta Regional Medical Center  
Magnolia Regional Health Center  
Merit Health Biloxi  
Merit Health Central  
Merit Health River Oaks  
Ocean Springs Hospital  
OCH Regional Medical Center  
Rush Foundation Hospital  
Singing River Hospital  
South Central Regional Medical  
Center  
Southwest Mississippi Regional  
Medical Center

*Level IV (60 Hospitals)*

Alliance Healthcare System  
Baptist Medical Center – Attala  
Baptist Medical Center – Leake  
Baptist Medical Center – Yazoo  
Baptist Memorial Hospital –  
Booneville  
Baptist Memorial Hospital – Union  
County  
Bolivar Medical Center  
Calhoun Health Services  
Choctaw Regional Medical Center  
Claiborne County Medical Center  
Covington County Hospital  
Field Memorial Community Hospital  
Franklin County Memorial Hospital  
George County Hospital  
Greene County Hospital  
Greenwood Leflore Hospital  
Hancock Medical Center  
H.C. Watkins Memorial Hospital  
Highland Community Hospital  
Holmes County Hospital and Clinic  
Jeff Davis Community Hospital  
John C. Stennis Memorial Hospital  
King's Daughters Medical Center  
Lackey Memorial Hospital  
Laird Hospital  
Lawrence County Hospital  
Magee General Hospital  
Marion General Hospital  
Merit Health Batesville  
Merit Health Gilmore Memorial  
Merit Health Madison  
Merit Health Northwest Mississippi  
Merit Health Natchez  
Merit Health Rankin  
Merit Health River Region  
Merit Health Wesley  
Methodist Healthcare – Olive Branch  
Hospital

Neshoba County General Hospital  
North Mississippi Medical Center –  
Eupora  
North Mississippi Medical Center –  
Iuka  
North Mississippi Medical Center –  
Pontotoc  
North Mississippi Medical Center –  
West Point  
North Oak Regional Medical Center  
North Sunflower County Hospital  
Noxubee General Critical Access  
Hospital  
Pearl River County Hospital  
Perry County General Hospital  
Pioneer Community Hospital of  
Aberdeen  
Scott Regional Hospital  
Sharkey-Issaquena Community  
Hospital  
Simpson General Hospital  
South Sunflower County Hospital  
Stone County Hospital  
Tallahatchie General Hospital  
Tippah County Hospital  
Tyler Holmes Memorial Hospital  
University of Mississippi Medical  
Center - Grenada  
Walthall General Hospital  
Wayne General Hospital  
Winston Medical Center

*Burn Center Designation  
(1 Hospital)*

Merit Health Central  
(Joseph M. Still Burn &  
Reconstruction Center)

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APPENDIX C - SCHEDULES



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