1

A REVISED DISTRIBUTION STRATEGY

OK Trauma Care Assistance Revolving Fund

PRESENTED MAY 5, 2010

2

PURPOSE AND INTENT

Senate Bill 290 established the Trauma Care Assistance Revolving Fund (Trauma Fund) in 1999. The Trauma Fund is a continuing fund that will be available from year-to-year to …

… support the public health safety net required to provide appropriate emergency medical care to the severely injured patient …

The Fund is not intended to serve as a primary payer for institutional and professional services; nor to fully compensate the involved providers.

OK TRAUMA FUND

MAY 5, 2010

3

DEVELOPMENT OF STRATEGY

3 Consultant reports from Bishop and Associates (2006, 2008, and 2009). Plus work of OSDH staff.

18 Meetings with stakeholder groups, OTSIDAC, and Trauma Fund Subcommittee. Does not include RTAB meeting discussions.

OK TRAUMA FUND

MAY 5, 2010

4

RESETTING PRINCIPLES

These principles have been developed based on meetings with Trauma System participants, consultant recommendations and general strategic agreements. They have been synthesized by staff and used to create this distribution system model.

1. Create incentives to build an effective trauma care system.
2. Reward both system readiness and system performance.
3. Eliminate the complexity related to fund distribution.
4. Eliminate claims processes and replace with prospective payments.

OK TRAUMA FUND

MAY 5, 2010

5

RESETTING STRATEGY

1. Create public health safety-net for the Priority 1 injured patients and patients with complex single system injuries.
2. Create an inclusive Trauma Care System recognizing the capabilities and appropriate contributions of all trauma centers.
3. Create system enhancement pools for rehabilitation capacity and stabilization & transfer cases.
4. Create pool to strengthen air and land EMS systems capacity.
5. Allocate funds based on readiness & performance costs.

OK TRAUMA FUND

MAY 5, 2010

6

RESETTING DISTRIBUTIONS

1. Estimate the annual Trauma Fund collections; apply the first 10% to the oversight, management and assessments of the State Trauma System; and establish the net amount available for distribution.
2. Create three system enhancement pools: Rehabilitation, Emergency Medical Services, and Stabilization & Transfer.
3. Allocate the balance of the Trauma Fund by formula and distribute by prospective payment agreements.
4. Periodically adjust distributions per the metrics of participation, service volumes, and CQI performance.

OK TRAUMA FUND

MAY 5, 2010

7

OPTIMAL SYSTEM ELEMENTS

READINESS

- PHYSICIANS

PERFORMANCE

- HOSPITAL
- PHYSICIANS

SYSTEM ENHANCEMENT POOLS

- STABILIZATION TRANSFER
- REHAB
- EMS LAND AND AIR

OK TRAUMA FUND

MAY 5, 2010

8

OPTIMAL SYSTEM HOSPITALS

I LEVEL

- OKLAHOMA CITY — OU Medical Center

II LEVEL

- TULSA — St. John Med Center
- TULSA — Saint Francis Hospital
- OKLAHOMA CITY — TBD *

III LEVEL

- Reimbursed based on definitive care rendered consistent with capacity and capability – or - certain costs of stabilizing and transferring patients.

IV LEVEL

- Reimbursed based on definitive care rendered consistent with capacity and capability - or - certain costs of stabilizing and transferring patients.

* The aggregated backup on-call hospitals in Oklahoma City include:
Integris Baptist, Deaconess, Mercy, Midwest City, Edmond, Southwest, OU Med Center & St. Anthony

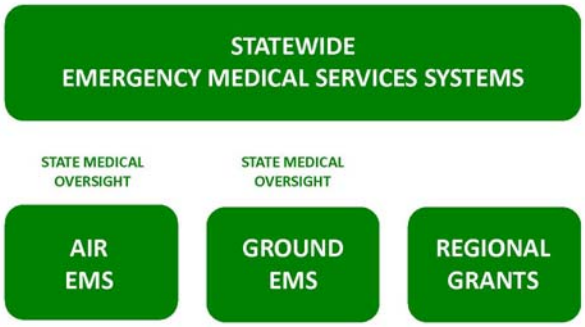
OK TRAUMA FUND

MAY 5, 2010

9

EMERGENCY MEDICAL SERVICES

Methodology to be developed per a separate process



OK TRAUMA FUND

MAY 5, 2010

10

SYSTEM ELEMENTS

Relative Weights

ELEMENT	WEIGHT
Readiness	20%
Hospital Performance	65%
Physician Performance	15%

OK TRAUMA FUND

MAY 5, 2010

11

READINESS

On-Call Physicians

HOSPITAL	WEIGHT
OU Medical Center	40%
OKC Level 2 Hospitals	20%
Saint Francis Hospital	20%
St. John Medical Center	20%

Weights are based proportionate on-call services for unassigned patients.

12

PERFORMANCE

Case Weighting

ISS SCORE	WEIGHT
Over 34	1.00
25-34	0.64
16-24	0.25
9-15*	0.08

** Also includes certain specified single system injuries*
Weights are based upon the mean statewide charges for that category of injury.
A case with ISS of "9-15" is weighted at 8% of a case "above 34".*
Presumed that 50% of cases "under 16" are eligible

13

DISTRIBUTION METHODOLOGY

1. Establish Trauma Fund amount, deduct admin costs and establish system-wide distribution amount
2. Deduct enhancement pools for EMS (8%), Rehabilitation ($800k), and Stabilization & Transfer ($550k).
3. Allocate the net funds to Readiness (20%), Hospital Performance (65%) and Physician Performance (15%).
4. Allocate Readiness Fund to OU (40%) and 20% each to SJMC, SFH, and OKC L-2.
5. Allocate Performance Fund based upon volumes of cases categorized and weighted by ISS score.
6. Establish payments amounts and issue 2 checks per service, one each for hospital and one for physicians.

OK TRAUMA FUND

MAY 5, 2010

14

DISTRIBUTING $24 MILLION

OK TRAUMA FUND

MAY 5, 2010

	OU-OKC Level 1	OKC Level 2	Saint Francis Level 2	Saint John Level 2	Statewide Level 3 & 4	FUNDS	TOTALS
POOLS							
Rehabilitation	TBD	TBD	TBD	TBD	TBD	$800,000	$800,000
EMS Air/Land Services	NA	NA	NA	NA	NA	$1,920,000	$1,920,000
ENHANCEMENT POOLS	TBD	TBD	TBD	TBD	TBD	**$2,720,000**	**$2,720,000**
READINESS							
Standby Physicians	$1,658,400	$829,200	$829,200	$829,200	NA	NA	$4,146,000
SYSTEM READINESS	**$1,658,400**	**$829,200**	**$829,200**	**$829,200**			**$4,146,000**
PERFORMANCE							
Hospital Services	$4,777,656	$1,721,998	$2,937,325	$1,473,022	$2,564,499	NA	$13,474,500
Physician Services	$1,102,536	$397,384	$677,844	$339,928	$591,807	NA	$3,109,500
Stabilization & Transfer	NA	NA	NA	NA	$550,000	NA	$550,000
SYSTEM PERFORMANCE	**$5,880,192**	**$2,119,382**	**$3,615,169**	**$1,812,951**	**$3,706,306**	NA	**$17,134,000**
GRAND TOTALS	**$7,538,592**	**$2,948,582**	**$4,444,369**	**$2,642,151**	**$3,706,306**	**$2,720,000**	**$24,000,000**
Distribution of Net Funds	**35%**	**14%**	**21%**	**12%**	**17%**		**100%**
Distribution of Weighted Cases	**35%**	**13%**	**22%**	**11%**	**19%**		**100%**