



ISSUE BRIEF: COLORADO'S TRAUMA CARE FUNDING CRISIS

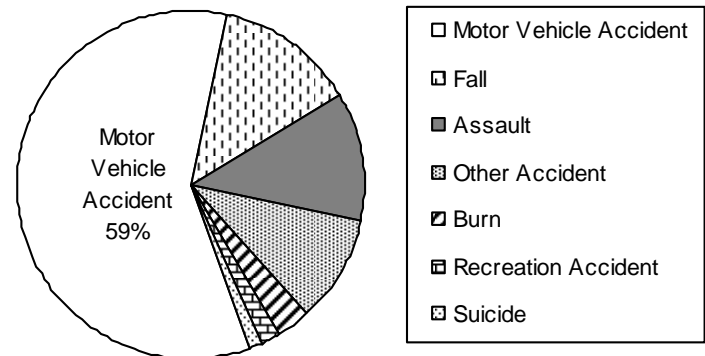
The Trauma Care Preservation Coalition is a statewide group composed of emergency medical service (EMS) providers, hospitals, fire chiefs, physicians and nurses. TCPC is committed to finding pragmatic solutions to the severe funding crisis facing Colorado's emergency trauma service providers.

The Problem:

Motor-vehicle accident (MVA) victims account for the majority of patients who need services from Colorado's trauma care system, constituting approximately 59 percent of all trauma admissions. Emergency medical and trauma services are vital components to every community's overall health.

Colorado's trauma care system was designed with no-fault auto insurance in place. With the switch in 2003 from a no-fault system to tort came unprecedented declines in reimbursement for the state's trauma service providers, including first responders (EMS, fire & ambulance services), hospitals, physicians and rehabilitation providers. These declines are a result of significantly lower payment rates from automobile insurance companies and a drastically increased percentage of patients who are unable to pay for the care provided to them. Now our first responders are facing tough choices by being forced to look at consolidations and, in some rural areas, closures due to reduced revenues caused by falling reimbursement.

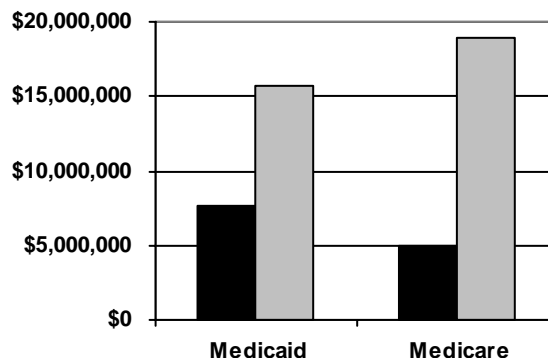
Trauma Center Patient Cause of Injury



- **Colorado's acute trauma system has lost at least \$80 million in collections annually** for medical care associated with MVAs since the switch to tort. Without a solution to the trauma funding crisis, first responders and hospitals may be forced to cut services and/or staff. This could mean longer wait times for an ambulance to arrive or fewer emergency physicians on hand to treat victims – potentially life-threatening consequences.
- **Every Coloradan lost \$139,900 in auto insurance benefits – including \$100,000 in medical coverage – as a result of the switch to tort.** Lawmakers and consumers were promised premium reductions of 15%-30%, yet many auto insurance carriers in Colorado made no reductions at all.
- **Ambulance services are in jeopardy.** In 2004, 43% of pre-hospital care billing for MVA patients went uncollected, a 120% increase from 2001. A 2005 survey of providers found that 50% of first responders anticipate a decrease in the services they will be able to provide in the future if the current system of trauma funding continues.
- **Reduced coverage for patients led to increased costs for consumers and employers.** In Colorado's hospitals, automobile insurance coverage of medical costs decreased by over 40% from 2001 to 2004. Those costs were largely shifted to private health insurance, with costs ultimately borne by employers and consumers in the form of deductibles and co-payments.

- **Automobile insurance is mandatory; health insurance is not.** Many people don't realize that their auto insurance no longer covers medical expenses unless they specifically elect and pay for med-pay coverage. This, coupled with the growing number of Coloradans without health insurance, means that trauma service providers are treating an ever-growing number of uninsured patients and, in many cases, are left with no means to recoup costs.
- **The switch to tort resulted in an increased burden on taxpayers.** After the switch from no-fault to tort, Colorado experienced a 205% increase in Medicaid payments for care related to motor vehicle accidents, increasing from \$7.7 million in 2002 to \$15.8 million in 2006, and Medicare payments for MVA patients increased 383% between 2002 and 2005 from \$4.9 million to \$18.9 million.
- **There is broad-based support for modifying the tort system.** Numerous newspapers across Colorado – including the Denver Post, the Loveland Reporter-Herald and the Greeley Tribune – have written editorials encouraging legislators to change the current auto insurance system in order to protect consumers and trauma care providers. Additionally, TCPC has over 50 member organizations committed to ensuring the long-term viability of Colorado's trauma system.

Charges for Motor Vehicle Accident Patients in Colorado hospitals 2002 and 2006



MEMBERS OF THE TRAUMA CARE PRESERVATION COALITION

Action Care Ambulance
 American College of Emergency Physicians, Colorado
 American Medical Response (AMR)
 Avista Adventist Hospital
 Brain Injury Association of Colorado
 Capstone Chiropractic Network
 Castle Rock Fire and Rescue
 Centura Health
 Clear Creek Emergency Medical Services
 Colorado Consumer Health Initiative
 Colorado Hospital Association
 Colorado Medical Society
 Colorado Neuropsychological Society
 Colorado State Fire Chiefs Association
 Denver Health and Hospital Authority
 Emergency Medical Services Association of Colorado, Inc.
 Foothills Regional Emergency Medical and Trauma Advisory Council
 HealthONE
 HMS Healthcare, Inc. of Colorado
 Littleton Adventist Hospital
 Medical Center of Aurora
 Memorial Hospital, Colorado Springs
 Mile High Medical Group
 Mile-High Regional Emergency Medical and Trauma Advisory Council
 Mountain Medical Affiliates
 North Colorado Medical Center/Banner Health
 North Suburban Medical Center
 Parker Adventist Hospital

Parkview Medical Center
 Penrose-St. Francis Medical Center, Colorado Springs
 Plains to Peaks Emergency Medical and Trauma Service Region
 Porter Adventist Hospital
 Poudre Valley Health System, Fort Collins
 Pridemark Paramedics
 Presbyterian/St. Luke's Medical Center
 Rose Medical Center
 Rural/Metro Ambulance
 Sloan's Lake Preferred Health Network
 South Park Ambulance District
 South Yuma-Washington Ambulance Service, Inc.
 St. Anthony Central Hospital
 St. Anthony North Hospital
 St. Mary-Corwin Medical Center, Pueblo
 St. Mary's Hospital & Medical Center, Grand Junction
 St. Thomas More Hospital, Cañon City
 Spalding Rehabilitation Hospital
 Sky Ridge Medical Center
 Swedish Medical Center
 The Children's Hospital
 University of Colorado Hospital
 Ute Pass Regional Ambulance District
 Weld County Paramedic
 Westminster Fire Department
 Woodland Park Ambulance Service