

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date 4/16/2019
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) DHS 118, Trauma Care	
4. Subject Classification criteria for Level III and IV Trauma Care Facilities	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected N/A
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$3,841,413.33 is the estimated cost of implementation and compliance. However, the total potential revenue for facilities that are classified as a trauma center in Wisconsin is an estimated \$38,366,000. Per the Department of Health and Human Services, Centers for Medicare and Medicaid Services, only trauma centers/hospitals that are licensed or designated by the state or local authority or verified by the ACS may utilize Revenue Code 068x. This Revenue Code allows the trauma center/hospital to charge a trauma team activation fee for patients for whom a trauma team activation occurred. So, although there is a significant cost for facilities to meet these standards there is also a substantial gain available only for facilities who do meet them.	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule The Department is directed by s. 256.25 (2), Stats., to promulgate rules to develop and implement a statewide trauma care system that includes a method by which to classify all hospitals as to their respective trauma and emergency care capabilities based on standards developed by the American College of Surgeons (ACS) . Currently, Wisconsin's classification standards are based on the standards developed by the ACS in 1999. Since 1999, the ACS have published two updates to their classification standards; one in 2006 and one in 2014. In order to remain compliant with s. 256.25(2), Stats., this administrative rule needs to be updated to reflect the changes made to the ACS standards. No reasonable alternatives exist to rulemaking. Without the proposed revisions to Chapter DHS 118, the classification criteria for Wisconsin hospitals will be outdated and not in accordance with the latest standards developed by the ACS.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. In developing the proposed rule, the Department established an advisory committee consisting of representatives from urban and rural areas and Level I, II, III and IV trauma care facilities. The Department solicited information and advice from individuals, businesses, associations representing businesses, and local governmental units who may be affected by the proposed rule for use in analyzing and determining the economic impact that the rules would have on businesses, individuals, public utility rate payers, local governmental units, and the state's economy as a whole, from 12/03/18-12/17/18.	

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

13. Identify the Local Governmental Units that Participated in the Development of this EIA.

None.

14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The rule's economic and fiscal impact is centered on hospitals. The implementation and compliance costs of the rule are very hard to estimate as there are several different requirements and each hospital currently has different capacity and capabilities. The estimated cost of implementation and compliance is \$3,841,413.33 each year for the next three years. About one third of Wisconsin's hospitals are reviewed for their trauma and emergency care capabilities each fiscal year. This review cycle will remain the same so hospitals will be reviewed on the new requirements over the course of three years and therefore the total implementation and compliance costs are divided over three years as well.

Although there is a cost to meet the proposed new requirements of this rule, there is also a significant financial benefit. Per the Department of Health and Human Services, Centers for Medicare and Medicaid Services, only hospitals that are either classified as trauma centers by their state or local governing body that has the authority to do so or are verified by the ACS are able to bill for a trauma team activation fee. Each hospital/trauma center is able to set their own rate for this fee which can vary from \$1,000 to \$20,000+ per patient. Due to this, the estimated potential total revenue for trauma centers/hospitals each year is significantly greater than the potential estimated implementation and compliance costs.

Additionally, there is a potentially large impact on the state's economy as a whole. Injury is the leading cause of death in the United States for individuals between the age of 1 and 44 years. This results in the nation spending more than \$400 billion annually to cover cost associated with trauma care. Additionally, according to the Centers for Disease Control and Prevention, in 2013, the total lifetime medical and work loss cost of injuries in the United States was \$671 billion. Having hospitals that meet the current ACS standards for trauma care and therefore have greater capacity and capability to treat traumatic injury can add quantity and quality to the lives of the people of Wisconsin.

15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Injury is the leading cause of death in the United States for individuals between the age of 1 and 44 years. This results in the nation spending more than \$400 billion annually to cover cost associated with trauma care. Additionally, according to the Centers for Disease Control and Prevention, in 2013, the total lifetime medical and work loss cost of injuries in the United States was \$671 billion.

The proposed rule revision will improve the Wisconsin trauma care system by ensuring that are classified as trauma centers are meeting the current national standards created for the purpose of optimizing trauma care. Having facilities that are meeting these standards and providing optimal care for our injured patients will help reduce death and disability resulting from traumatic injury, ideally adding to the quality and quantity of patients' lives. Additionally, the reduction of death and disability resulting from traumatic injury will decrease the amount of spending on trauma care and will reduce the amount of lifetime medical and work loss cost of injuries. Overall, the proposed rule revision will improve the lives of the people of Wisconsin by helping them live better, longer.

No reasonable alternatives exist to rulemaking. Without the proposed revisions to Chapter DHS 118, the classification criteria for Wisconsin hospitals will be outdated and will not be in accordance with the latest standards developed by the ACS.

16. Long Range Implications of Implementing the Rule

Per Wisconsin Administrative Rule DHS 118.01, the purpose of the statewide trauma care system is to reduce death and disability resulting from traumatic injury by decreasing the incidence of trauma, providing optimal care of trauma victims and their families and collecting and analyzing trauma-related data. The standards developed by the ACS have long been regarded, including by Wisconsin Statute §256.25(2), as the minimum set of standards necessary for the optimal care of injured patients. Implementing the

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

most recent ACS standards in this rule will improve the care provided in trauma centers throughout Wisconsin. By improving care of injured patients, hospitals will be helping the people of Wisconsin live better, longer. Additionally, implementing the proposed rule changes will likely have a positive impact on the Wisconsin economy in the future. Treating trauma patients appropriately will reduce death and disability and reduce the cost of injuries in Wisconsin.

17. Compare With Approaches Being Used by Federal Government

The Federal Government does not classify trauma care facilities.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Neighboring states generally have a similar hospital classification process to Wisconsin. Most states require Level I and II trauma care facilities to be verified by the ACS and allow Level III and IV trauma care facilities to be verified by the ACS or by the appropriate department in each state.

Illinois statute confers on the Illinois Department of Public Health the authority and responsibility to designate applicant hospitals as Level I or Level II trauma centers. 210 ILCS 50/3.90(b)(4). The Illinois Department of Health must attempt to designate trauma centers in all areas of the state and ensure that at least one Level I trauma center serves each Emergency Medical Services region, unless waived by the Department. 515 Ill. Adm. Code 2000(a).

Illinois statute also confers on the Illinois Department of Health the authority and responsibility to establish the minimum standards for designation as a Level I or Level II trauma center. 210 ILCS 50/3.90(b)(1). The designation criteria for Level I and II trauma centers are specified in 515 Ill. Adm. Code 2030 and 515 Ill. Adm. Code 2040 respectively.

Iowa statute confers on the Iowa Department of Public Health the responsibility to adopt rules which specify hospital and emergency care facility verification criteria as well as the verification process. Iowa Code § 147A.23(2)b. Level I and II trauma care facilities must be verified by the ACS Committee on Trauma. 641 IAC 134.2(6)(a). Level II and IV trauma care facilities must be verified by the Iowa Department of Public Health in consultation with the trauma survey team. 641 IAC 134.2(6)(d). Iowa's level III and IV verification are the criteria from the Resources for the Optimal Care of the Injured Patient 2014, adopted by reference into Iowa Administrative Code. 641 IAC 134.2(3).

Michigan Public Health Code 333.20910(1) confers on the Department of Health and Human Services the responsibility to develop, implement and promulgate rules for the implementation and operation of a statewide trauma care system and to develop a statewide process for verification and designation of trauma facilities. Health care facilities seeking designation as a Level I or II trauma care facility must be verified by the ACS Committee on Trauma and comply with the additional requirements specified by the Michigan Department of Health and Human Services regarding data submission requirements, participation in regional injury prevention plans and regional performance improvement processes and providing assistance to the Department of Health and Human Services in the designation and verification process of other facilities. Mich. Admin. Code R 325.130(6).

Health care facilities seeking designation as a Level III trauma care facility may either be verified by the ACS Committee on Trauma or by the Department of Health and Human Services. Mich Admin. Code R 325.130(7). All Level III facilities, regardless of verification method, must comply with additional data submission requirements and participate in regional injury prevention plans and performance improvement processes. Health care facilities seeking designation as a Level IV trauma care facility must be verified by the Department of Health and Human Services. Mich. Admin. Code R 325.130(8). These facilities must comply with additional data submission requirements and participate in regional injury prevention plans and performance improvement processes. Mich. Admin. Code R 325.130(8).

Minnesota Statue 144.603(1) (2017) confers on the Commissioner of the Department of Health the responsibility to adopt criteria to ensure that severely injured people are promptly transported and treated at trauma hospitals appropriate

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

to the severity of injury. These criteria must be based on Minnesota's comprehensive statewide trauma system plan with the advice of the Trauma Advisory Council and using accepted standards from the ACS, the American College of Emergency Physicians, the Minnesota Emergency Medical Services Regulatory Board, the national Trauma Center Association of America and other trauma experts. Minn. Stat. 144.603(2) (2017).

Facilities seeking designation as a Level I or II trauma care facility must be verified by the ACS. Minn. Stat. 144.605(3) (2017). Facilities seeking designation as a Level III trauma care facility may either be verified by the ACS or by the Department of Health using the criteria adopted by the Commissioner. Minn. Stat. 144.605(4) (2017). Facilities seeking designation as a Level IV trauma care facility must be verified by the Department of Health using the criteria adopted by the Commissioner. Minn. Stat. 144.605(4) (2017).

19. Contact Name Jeffrey Phillips	20. Contact Phone Number 608-267-7178
--------------------------------------	--

This document can be made available in alternate formats to individuals with disabilities upon request.

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
 - Less Stringent Schedules or Deadlines for Compliance or Reporting
 - Consolidation or Simplification of Reporting Requirements
 - Establishment of performance standards in lieu of Design or Operational Standards
 - Exemption of Small Businesses from some or all requirements
 - Other, describe:
-

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
-