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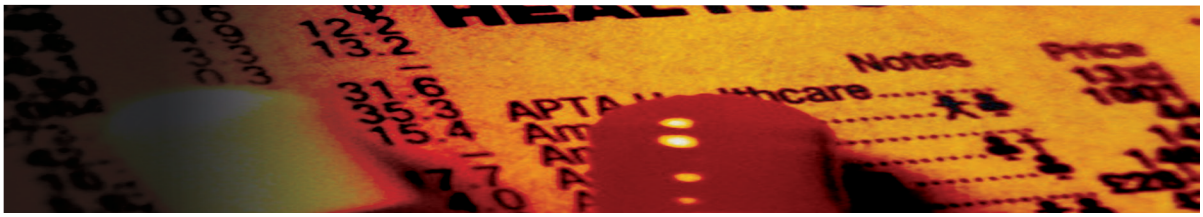
Issue 3



SEPTEMBER 2022

IN THIS ISSUE

The paper "Association of Level I and Level II Trauma Center Expansion with Insurer Payments in Texas from 2011 to 2019," co-authored by Vivian Ho, Marah Short, Maura Coughlin, Shara McClure and James Suliburk, was published in *JAMA Open Network* in March 2022. Ho is the James A. Baker III Chair in Health Economics at Rice University's Baker Institute for Public Policy, a Rice University health economics professor and a professor of medicine at Baylor College of Medicine. Short is a health economics scholar at the Baker Institute. Coughlin is a health economics assistant professor at Rice University, McClure is a senior vice president at Blue Cross Blue Shield of Texas, and Suliburk is an associate professor and section chief at Baylor College of Medicine.

An electronic version of this newsletter may be downloaded at bit.ly/HPR-17-3.

Baylor College of Medicine

RICE UNIVERSITY'S BAKER INSTITUTE FOR PUBLIC POLICY

HEALTH POLICY research

Rice University's Baker Institute for Public Policy-Baylor College of Medicine
Joint Program in Health Policy Research

When multiple hospitals upgrade their trauma centers, do patients face higher bills?

Not necessarily, says Vivian Ho, the James A. Baker III Institute Chair in Health Economics. Trauma activation fees compensate hospitals for keeping multiple specialists and costly equipment on standby to care for patients with complex injuries. High activation fees are intended primarily for Level I and II trauma centers, which provide definitive care for complex cases, including patients with multiple trauma injuries. But news stories have raised concerns about Level III or IV trauma centers in Florida that upgraded to Level II and introduced trauma activation fees for minor injuries. One teenager who suffered a concussion with no broken bones or blood loss was charged a trauma activation fee of $33,000.

The number of Level I or II trauma centers in Texas expanded from 11 to 21 between 2011 and 2019. Ho and her co-authors tracked per patient trauma care costs in Texas between 2011 and 2019 to determine whether trauma center expansion was associated with higher spending per patient, as was alleged in Florida. The authors examined Blue Cross Blue Shield of Texas insurance claims from 38,744 trauma visits from January 2011 to December 2019 in the Austin, Dallas and Houston metropolitan statistical areas, where new Level II trauma centers opened.

As the number of trauma visits to newly opened trauma centers more than doubled between 2011 and 2019, the proportion of such visits with a trauma activation fee rose marginally, from 61.6% to 63.8%. Meanwhile, the number of visits to existing trauma centers showed much less of an increase, and the proportion of visits with a trauma activation fee actually fell, from 71.1% in 2012 to 60.1% in 2019.

Over this time period, the mean amount received by trauma centers per visit including both insurer and out-of-pocket patient obligations increased from $36,969 in 2011 (in 2019 dollars) to $39,773 in 2019. However, the mean payment for visits with trauma activation fees declined from $32,162 in 2011 (in 2019 dollars) to $31,189 in 2019. Nevertheless, there were two existing trauma centers and two upgraded centers that had five or more patients with relatively minor injuries and payments that exceeded $20,000.

As such, Texas did not experience the growth in trauma fee activations or prices noted in Florida. A limited number of trauma centers in the three Texas metropolitan statistical areas included in this study received exceptionally high payments for visits with lower injury severity. Unlike surprise billing, trauma activation fees may not require government intervention. Insurers' oversight may sufficiently limit outsize bills submitted by a few hospitals. In fact, Blue Cross Blue Shield of Florida recently renegotiated lower trauma rates with HCA Healthcare.

HEALTH POLICY research presents a summary of findings on current health policy issues. It is provided by Vivian Ho, Ph.D., the James A. Baker III Institute Chair in Health Economics at Rice University's Baker Institute for Public Policy, in collaboration with Laura Petersen, M.D., MPH, chief of the Section of Health Services Research in the Department of Medicine at Baylor College of Medicine.

This publication aims to make research results accessible to regional and national health policymakers. The views expressed herein are those of the study authors and do not necessarily represent those of the Baker Institute or of Baylor College of Medicine.

The Baker Institute and Baylor College of Medicine's Section of Health Services Research work with scholars from across Rice University and Baylor College of Medicine to address issues of health care — access, financing, organization, delivery and outcomes. Special emphasis is given to issues of health care quality and cost.

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