5lr0129 CF 5lr0128

By: The Speaker (By Request - Administration) and Delegates Arnick, Aumann, Bartlett, Bates, Boschert, Boteler, Boutin, Cluster, Costa, Cryor, Donoghue, Eckardt, Edwards, Elliott, Elmore, Frank, Fulton, Impallaria, Jennings, Kach, Kelly, Krebs, Leopold, McComas, McConkey, McDonough, McKee, McMillan, Miller, Minnick, O'Donnell, Parrott, Shank, Shewell, Stocksdale, Stull, Trueschler, Walkup, and Weir

Introduced and read first time: January 26, 2005 Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2

Maryland Medical Injury Compensation Reform Act

3 FOR the purpose of requiring a certificate of a qualified expert for each defendant in certain causes of action; altering certain provisions relating to the amount of 4 5 time an expert may devote to certain activities; requiring the itemization of certain damages; allowing the introduction of and consideration of certain 6 7 evidence relating to damages under certain circumstances; establishing a 8 certain limitation on noneconomic damages for medical injuries for causes of 9 action arising on or after a certain date; providing that this limitation applies in 10 the aggregate to all claims arising from the same medical injury; requiring the 11 itemization of certain awards and verdicts; requiring that a health care 12 malpractice award or verdict be reduced to the extent of certain payments, 13 reimbursements, or indemnification, less certain costs, under certain 14 circumstances; prohibiting certain recovery and certain claims of subrogation 15 relating to certain payments, reimbursements, or indemnification under certain circumstances; providing that certain provisions relating to advanced payments 16 do not apply to certain causes of action; prohibiting a jury from being informed 17 of certain limitations; requiring an award or verdict of economic damages for a 18 19 medical injury exclude certain amounts for past or future medical expenses and past or future loss of earnings; requiring periodic payments of certain damages 20 21 in certain awards or verdicts under certain circumstances; establishing 22 procedures and requirements relating to periodic payments and annuities for 23 funding periodic payments; providing that certain provisions relating to 24 damages in personal injury and wrongful death cases apply to causes of action 25 for medical injuries arising before a certain date and do not apply to causes of 26 action for medical injuries arising on or after a certain date; increasing the 27 number of jurors in civil actions involving medical injuries; altering the rate of 28 interest on certain judgments; altering a certain definition to provide that

29 practice of medicine includes engaging in testimony or offering an opinion as a

- 1 medical expert witness under certain circumstances; providing certain
- 2 exemptions from licenses; providing that certain medical expert witnesses are
- 3 subject to certain hearing and disciplinary proceedings by the Board of
- 4 Physicians under certain circumstances; repealing certain requirements
- 5 relating to purchase of policies from and commissions paid by the Medical
- 6 Mutual Liability Insurance Society; defining certain terms; making stylistic
- 7 changes; providing for the application of this Act; making the provisions of this
- 8 Act severable; and generally relating to medical injury compensation reform.
- 9 BY repealing and reenacting, with amendments,
- 10 Article Courts and Judicial Proceedings
- 11 Section 3-2A-04(b)(1)(i)1. and (4), 3-2A-05(h), 3-2A-06(f), 3-2A-09(a),
- 12 3-2A-10, and 11-108(e)
- 13 Annotated Code of Maryland
- 14 (2002 Replacement Volume and 2004 Supplement)
- 15 (As enacted by Chapter 5 of the Acts of the General Assembly of the 2004 Special16 Session)
- 17 BY repealing and reenacting, with amendments,
- 18 Article Courts and Judicial Proceedings
- 19 Section 3-2A-05(e), (i), and (j), 3-2A-06(g), (h), and (i), 3-2A-08, 8-306,
- 20 11-107(a), and 11-109(c) and (d)
- 21 Annotated Code of Maryland
- 22 (2002 Replacement Volume and 2004 Supplement)
- 23 BY adding to
- 24 Article Courts and Judicial Proceedings
- 25 Section 3-2A-05(b)(4), 3-2A-05(j), 3-2A-06(h), 3-2A-09A, 3-2A-09B,
- 26 3-2A-10, 9-124, and 11-109(d) and (e)
- 27 Annotated Code of Maryland
- 28 (2002 Replacement Volume and 2004 Supplement)
- 29 BY repealing and reenacting, without amendments,
- 30 Article Courts and Judicial Proceedings
- 31 Section 11-108(c)
- 32 Annotated Code of Maryland
- 33 (2002 Replacement Volume and 2004 Supplement)
- 34 (As enacted by Chapter 5 of the Acts of the General Assembly of the 2004 Special
 35 Session)
- 36 BY repealing and reenacting, with amendments,
- 37 Article Health Occupations
- 38 Section 14-101(1)(1), 14-302(4)(ii) and (5)(ii)2., 14-401(i), and 14-404(a)
- 39 Annotated Code of Maryland

- 1 (2000 Replacement Volume and 2004 Supplement)
- 2 BY adding to
- 3 Article Health Occupations
- 4 Section 14-302(6)
- 5 Annotated Code of Maryland
- 6 (2000 Replacement Volume and 2004 Supplement)
- 7 BY repealing
- 8 Article Insurance
- 9 Section 24-214
- 10 Annotated Code of Maryland
- 11 (2002 Replacement Volume and 2004 Supplement)
- 12 (As enacted by Chapter 5 of the Acts of the General Assembly of the 2004 Special
- 13 Session)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

15 MARYLAND, That the Laws of Maryland read as follows:

16 Article - Courts and Judicial Proceedings

17 3-2A-04.

18 (b) Unless the sole issue in the claim is lack of informed consent:

19	(1)	(i)	1.	Except as provided in subparagraph (ii) of this paragraph,
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20 a claim or action filed after July 1, 1986, shall be dismissed, without prejudice, if the

21 claimant or plaintiff fails to file FOR EACH DEFENDANT a certificate of a qualified

22 expert with the Director attesting to departure from standards of care, and that the

23 departure from standards of care is the proximate cause of the alleged injury, within

24 90 days from the date of the complaint;

25 (4) A health care provider who attests in a certificate of a qualified

26 expert or who testifies in relation to a proceeding before an arbitration panel or a

27 court concerning compliance with or departure from standards of care may not devote

28 annually more than 20 percent of the expert's professional activities to activities that

29 [directly involve testimony in personal injury claims]:

30 (I) ARE UNRELATED TO THE CARE OR TREATMENT OF A PATIENT;
 31 AND
 32 (II) LEAD OR COULD LEAD TO TESTIMONY IN PERSONAL INJURY

32	(11)	LEAD OR COULD LEAD TO TESTIMONY IN PERSONAL INJU.
33 CLAIMS.		

1 3-2A-05.				
	D CARE	ENCE THAT A CLAIMANT HAS RECEIVED OR WILL RECEIVE OR SERVICES IS ADMISSIBLE AND MAY BE CONSIDERED BY L WHEN AWARDING DAMAGES.		
5 (e) (1) 6 respect to a claim res		The arbitration panel shall first determine the issue of liability with erred to it.		
7 (2) 8 not liable to the claim 9 provider.		rbitration panel determines that the health care provider is aimants the award shall be in favor of the health care		
12 apportion appropria	0 (3) If the arbitration panel determines that a health care provider is 1 liable to the claimant or claimants, it shall then consider, itemize, assess, and 2 apportion appropriate damages against one or more of the health care providers that 3 it has found to be liable.			
 (4) [The award shall itemize by category and amount any damages assessed for incurred medical expenses, rehabilitation costs, and loss of earnings. Damages assessed for any future expenses, costs, and losses shall be itemized separately.] THE ARBITRATION PANEL SHALL ITEMIZE THE AWARD TO REFLECT THE MONETARY AMOUNT INTENDED FOR ANY OF THE FOLLOWING DAMAGES THAT ARE APPLICABLE TO THE CLAIM: 				
20	(I)	PAST MEDICAL EXPENSES;		
21	(II)	FUTURE MEDICAL EXPENSES;		
22	(III)	PAST LOSS OF EARNINGS;		
23	(IV)	FUTURE LOSS OF EARNINGS;		
24	(V)	PAST PECUNIARY LOSS;		
25	(VI)	FUTURE PECUNIARY LOSS;		
26	(VII)	OTHER PAST ECONOMIC DAMAGES;		
27	(VIII)	OTHER FUTURE ECONOMIC DAMAGES;		
28	(IX)	PAST NONECONOMIC DAMAGES; AND		
29	(X)	FUTURE NONECONOMIC DAMAGES.		
30(h)[(1)]31award as to liability		w may apply to the arbitration panel to modify or correct an s, or costs in accordance with § 3-222 of this title.		
32 (I) (1) 33 JUNE 1, 2005.	THIS S	SUBSECTION APPLIES TO A CAUSE OF ACTION ARISING BEFORE		

1 (2) (i) The application TO MODIFY OR CORRECT AN AWARD may 2 include a request that damages be reduced to the extent that the claimant has been or 3 will be paid, reimbursed, or indemnified under statute, insurance, or contract for all 4 or part of the damages assessed.
5 (ii) The panel chairman shall receive such evidence in support and 6 opposition to a request for reduction, including evidence of the cost to obtain such 7 payment, reimbursement, or indemnity.
8 (iii) After hearing the evidence in support and opposition to the 9 request, the panel chairman may modify the award if satisfied that modification is 10 supported by the evidence.
 (iv) The award may not be modified as to any sums paid or payable to a claimant under any workers' compensation act, criminal injuries compensation act, employee benefit plan established under a collective bargaining agreement between an employer and an employee or a group of employers and a group of employees that is subject to the provisions of the federal Employee Retirement Income Security Act of 1974, program of the Department of Health and Mental Hygiene for which a right of subrogation exists under §§ 15-120 and 15-121.1 of the Health - General Article, or as a benefit under any contract or policy of life insurance or Social Security Act of the United States.
20 (v) An award may not be modified as to any damages assessed for 21 any future expenses, costs, and losses unless:
 1. The panel chairman orders the defendant or the defendant's insurer to provide adequate security; or
 24 2. The insurer is authorized to do business in this State and 25 maintains reserves in compliance with rules of the Insurance Commissioner to assure 26 the payment of all such future damages up to the amount by which the award has 27 been modified as to such future damages in the event of termination.
 (vi) Except as expressly provided by federal law, no person may recover from the claimant or assert a claim of subrogation against a defendant for any sum included in the modification of an award.
31 (J) (1) THIS SUBSECTION APPLIES TO A CAUSE OF ACTION ARISING ON OR 32 AFTER JUNE 1, 2005.
33 (2) IN AN ARBITRATION PROCEEDING:
 (I) A DEFENDANT MAY INTRODUCE EVIDENCE THAT THE CLAIMANT HAS BEEN OR WILL BE PAID, REIMBURSED, OR INDEMNIFIED BY A GOVERNMENT OR THROUGH A GOVERNMENTAL PROGRAM, BY INSURANCE, OR UNDER CONTRACT FOR ALL OR PART OF THE DAMAGES ASSESSED; OR
 38 (II) IF THE DEFENDANT INTRODUCES EVIDENCE UNDER ITEM (I) 39 OF THIS PARAGRAPH, THE CLAIMANT MAY INTRODUCE EVIDENCE:

1 1. OF THE COST TO OBTAIN THE PAYMENT, 2 REIMBURSEMENT, OR INDEMNITY; AND

3 2. THAT A PERSON OR A GOVERNMENTAL ENTITY HAS A
4 RIGHT OF SUBROGATION FOR RECOVERY OF ANY COSTS PAID TO THE PLAINTIFF,
5 AND THE AMOUNT OF THE SUBROGATED INTEREST.

6 (3) IF EVIDENCE IS INTRODUCED UNDER PARAGRAPH (2) OF THIS 7 SUBSECTION, THE ARBITRATION PANEL SHALL:

8

(I) CONSIDER THE EVIDENCE; AND

9 (II) REDUCE OR MODIFY THE AWARD IF SATISFIED THAT A 10 REDUCTION OR MODIFICATION IS SUPPORTED BY THE EVIDENCE.

(4) A DEFENDANT MAY NOT INTRODUCE EVIDENCE CONCERNING ANY
 FUTURE EXPENSES, COSTS, AND LOSSES AND AN AWARD MAY NOT BE MODIFIED AS
 TO THESE DAMAGES UNLESS:

(I) THE ARBITRATION PANEL IS ASSURED THAT THE DEFENDANT
OR THE DEFENDANT'S INSURER CAN PROVIDE ADEQUATE SECURITY AND, AFTER AN
AWARD, ORDERS THE DEFENDANT OR THE DEFENDANT'S INSURER TO PROVIDE
ADEQUATE SECURITY TO ENSURE THE PAYMENT OF ALL FUTURE DAMAGES UP TO
THE AMOUNT BY WHICH THE AWARD HAS BEEN MODIFIED IN THE EVENT THAT THE
OTHER SOURCE OF COMPENSATION IS TERMINATED; OR

(II) THE DEFENDANT'S INSURER IS AUTHORIZED TO DO BUSINESS
IN THIS STATE AND MAINTAINS RESERVES IN COMPLIANCE WITH RULES OF THE
INSURANCE COMMISSIONER TO ENSURE THE PAYMENT OF ALL FUTURE DAMAGES
UP TO THE AMOUNT BY WHICH THE AWARD HAS BEEN MODIFIED IN THE EVENT
THAT THE OTHER SOURCE OF COMPENSATION IS TERMINATED.

(5) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS
SUBSECTION OR AS EXPRESSLY PROVIDED BY FEDERAL LAW, A PERSON MAY NOT
RECOVER FROM THE CLAIMANT OR ASSERT A CLAIM OF SUBROGATION AGAINST A
DEFENDANT FOR ANY SUM INCLUDED IN THE MODIFICATION OF A VERDICT.

[(i)] (K) Subject to § 3-2A-06 of this subtitle, the award of the panel shall be
final and binding on the parties. After the time for either rejecting or modifying the
award has expired the Director may, or, when requested by any party, shall file a copy
of the award with the circuit court having proper venue, as provided in Title 6,
Subtitle 2 of this article and the court shall confirm the award. Upon confirmation the
award shall constitute a final judgment.

35 [(j)] (L) Except for time limitations pertaining to the filing of a claim or 36 response, the Director or the panel chairman, for good cause shown, may lengthen or 37 shorten the time limitations prescribed in subsections (b) and (g) of this section and § 38 3-2A-04 of this article.

1 3-2A-06.		
	D CARE	ENCE THAT A CLAIMANT HAS RECEIVED OR WILL RECEIVE OR SERVICES IS ADMISSIBLE AND MAY BE CONSIDERED BY N AWARDING DAMAGES.
7 medical expenses, re8 any future expenses,9 findings include any10 FACT SHALL ITED	nize by ca habilitatio costs, and amount f MIZE TH	timely request, the trier of fact shall by special verdict or ategory and amount any damages assessed for incurred on costs, and loss of earnings. Damages assessed for d losses shall be itemized separately. If the verdict or for such expenses, costs, and losses, a] THE TRIER OF IE VERDICT TO REFLECT THE MONETARY AMOUNT THE FOLLOWING DAMAGES THAT ARE APPLICABLE TO THE
13	(I)	PAST MEDICAL EXPENSES;
14	(II)	FUTURE MEDICAL EXPENSES;
15	(III)	PAST LOSS OF EARNINGS;
16	(IV)	FUTURE LOSS OF EARNINGS;
17	(V)	PAST PECUNIARY LOSS;
18	(VI)	FUTURE PECUNIARY LOSS;
19	(VII)	OTHER PAST ECONOMIC DAMAGES;
20	(VIII)	OTHER FUTURE ECONOMIC DAMAGES;
21	(IX)	PAST NONECONOMIC DAMAGES; AND
22	(X)	FUTURE NONECONOMIC DAMAGES.
23 (G) (1) 24 JUNE 1, 2005.	THIS S	SUBSECTION APPLIES TO A CAUSE OF ACTION ARISING BEFORE
25 (2) A party filing a motion for a new trial may object to the damages as 26 excessive on the ground that the plaintiff has been or will be paid, reimbursed, or 27 indemnified to the extent and subject to the limits stated in § 3-2A-05(h) of this 28 subtile.		
29 [(2)] 30 objection.	(3)	The court shall hold a hearing and receive evidence on the

31 [(3)] (4) (i) If the court finds from the evidence that the damages are

22 excessive on the grounds stated in § 3-2A-05(h) of this subtitle, subject to the limits 33 and conditions stated in § 3-2A-05(h) of this subtitle, it may grant a new trial as to 34 such damages or may deny a new trial if the plaintiff agrees to a remittitur of the

excess and the order required adequate security when warranted by the conditions
 stated in § 3-2A-05(h) of this subtitle.

(ii) In the event of a new trial granted under this subsection,

4 evidence considered by the court in granting the remittitur shall be admissible if

5 offered at the new trial and the jury shall be instructed to consider such evidence in 6 reaching its verdict as to damages.

7 (iii) Upon a determination of those damages at the new trial, no

8 further objection to damages may be made exclusive of any party's right of appeal.

9 [(4)] (5) Except as expressly provided by federal law, no person may 10 recover from the plaintiff or assert a claim of subrogation against a defendant for any

11 sum included in a remittitur or awarded in a new trial on damages granted under this 12 subsection.

13[(5)](6)Nothing in this subsection shall be construed to otherwise limit14the common law grounds for remittitur.

15 (H) (1) THIS SUBSECTION APPLIES TO A CAUSE OF ACTION ARISING ON OR 16 AFTER JUNE 1, 2005.

17 (2) IN A TRIAL:

18(I)A DEFENDANT MAY INTRODUCE EVIDENCE THAT THE19PLAINTIFF HAS BEEN OR WILL BE PAID, REIMBURSED, OR INDEMNIFIED BY A20GOVERNMENT OR THROUGH A GOVERNMENTAL PROGRAM, BY INSURANCE, OR21UNDER CONTRACT FOR ALL OR PART OF THE DAMAGES ASSESSED; AND

22 (II) IF THE DEFENDANT INTRODUCES EVIDENCE UNDER ITEM (I) 23 OF THIS PARAGRAPH, THE PLAINTIFF MAY INTRODUCE EVIDENCE:

24 1. OF THE COST TO OBTAIN THE PAYMENT,25 REIMBURSEMENT, OR INDEMNITY; OR

26 2. THAT A PERSON OR A GOVERNMENTAL ENTITY HAS A
 27 RIGHT OF SUBROGATION FOR RECOVERY OF ANY COSTS PAID TO THE PLAINTIFF,
 28 AND THE AMOUNT OF THE SUBROGATED INTEREST.

29 (3) THE TRIER OF FACT SHALL CONSIDER THE EVIDENCE INTRODUCED
30 UNDER PARAGRAPH (2) OF THIS SUBSECTION WHEN DECIDING THE ISSUE OF
31 DAMAGES.

32 (4) (I) IF EVIDENCE IS INTRODUCED UNDER PARAGRAPH (2) OF THIS
33 SUBSECTION, EITHER PARTY MAY MOVE THAT THE VERDICT BE MODIFIED BASED ON
34 THE EVIDENCE.

35

(II) THE COURT SHALL HOLD A HEARING ON THE MOTION.

(III) SUBJECT TO THIS SUBSECTION, AFTER CONSIDERING THE
 EVIDENCE IN SUPPORT AND OPPOSITION TO THE REQUEST, THE COURT SHALL
 MODIFY THE AWARD IF SATISFIED THAT MODIFICATION IS SUPPORTED BY THE
 EVIDENCE.

5 (5) A DEFENDANT MAY NOT INTRODUCE EVIDENCE CONCERNING ANY
6 FUTURE EXPENSES, COSTS, AND LOSSES AND A VERDICT MAY NOT BE MODIFIED AS
7 TO THESE DAMAGES UNLESS:

8 (I) THE COURT IS ASSURED THAT THE DEFENDANT OR THE
9 DEFENDANT'S INSURER CAN PROVIDE ADEQUATE SECURITY AND, AFTER A VERDICT,
10 ORDERS THE DEFENDANT OR THE DEFENDANT'S INSURER TO PROVIDE ADEQUATE
11 SECURITY TO ENSURE THE PAYMENT OF ALL FUTURE DAMAGES UP TO THE AMOUNT
12 BY WHICH THE AWARD HAS BEEN MODIFIED IN THE EVENT THAT THE OTHER
13 SOURCE OF COMPENSATION IS TERMINATED; OR

(II) THE DEFENDANT'S INSURER IS AUTHORIZED TO DO BUSINESS
IN THIS STATE AND MAINTAINS RESERVES IN COMPLIANCE WITH RULES OF THE
INSURANCE COMMISSIONER TO ENSURE THE PAYMENT OF ALL FUTURE DAMAGES
UP TO THE AMOUNT BY WHICH THE AWARD HAS BEEN MODIFIED IN THE EVENT
THAT THE OTHER SOURCE OF COMPENSATION IS TERMINATED.

(6) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (4) OF THIS
 SUBSECTION OR AS EXPRESSLY PROVIDED BY FEDERAL LAW, A PERSON MAY NOT
 RECOVER FROM THE PLAINTIFF OR ASSERT A CLAIM OF SUBROGATION AGAINST A
 DEFENDANT FOR ANY SUM INCLUDED IN THE MODIFICATION OF A VERDICT.

23 [(g)] (I) If the verdict of the trier of fact is not more favorable to the party that

24 rejected the arbitration panel's award, than was the award, the costs of the judicial

25 proceedings shall be assessed against the rejecting party. Otherwise, the court may

26 determine the assessment of such costs. If the court vacates an assessment of

27 arbitration costs, it shall reassess those costs as justice requires.

28 [(h)] (J) Venue shall be determined in accordance with the provisions of § 29 6-201 of this article.

30 [(i)] (K) The clerk of the court shall file a copy of the verdict or any other final 31 disposition with the Director.

32 3-2A-08.

(a) (1) Evidence of advanced payments made [pursuant to] UNDER §
19-104(b) of the Insurance Article is not admissible in any arbitration or judicial
proceeding for damages due to medical injury until there is an award, in the case of
arbitration proceedings, or a verdict, in the case of judicial proceedings, in favor of the
claimant OR PLAINTIFF and against the person who made the advanced payments.

38 (2) Upon the finding of such an award or verdict, the arbitration panel,39 or the trier of fact, shall make a finding of total damages, and shall then deduct

whatever amounts it finds were paid by or on behalf of the defendants [pursuant to]
 UNDER § 19-104(b) of the Insurance Article.

3 (3) The net amount, after this deduction, shall be entered as its award or 4 verdict.

5 (b) (1) THE PROVISIONS OF THIS SUBSECTION DO NOT APPLY TO A VERDICT 6 FOR DAMAGES UNDER THIS SUBTITLE IN WHICH THE CAUSE OF ACTION ARISES ON 7 OR AFTER JUNE 1, 2005.

8 (2) [If] FOR AN AWARD OR VERDICT FOR DAMAGES UNDER THIS 9 SUBTITLE IN WHICH THE CAUSE OF ACTION AROSE BEFORE JUNE 1, 2005, IF the 10 award or verdict exceeds the amount of advanced payments and the arbitration panel 11 or the court finds that the advanced payments were reasonable, the panel or the court 12 may [(1) order]:

(I) ORDER that the amount by which the award or verdict exceeds
the amount of advanced payments be paid over a period of time consistent with the
needs of the claimant OR PLAINTIFF, rather than in a lump sum[, and (2) authorize];
AND

17 (II) AUTHORIZE, as part of its order, the creation of a trust or other 18 mechanism to assure the periodic payments.

19 (3) The panel or court shall provide to the claimant the option to choose 20 either a lump sum or payments paid over a period of time.

21 (c) (1) If the advanced payment exceeds the liability of the person making it,
22 the arbitration panel or the court on appeal may order such adjustments as justice
23 may require under the award or verdict, including, where appropriate, contribution
24 by other parties found to be liable.

25 (2) In no event shall an advance payment in excess of the liability of the 26 person making it be repayable by the person receiving it.

27 3-2A-09.

(a) This section applies to an award under § 3-2A-05 of this subtitle or a
verdict under § 3-2A-06 of this subtitle for a cause of action arising on or after
January 1, 2005, AND BEFORE JUNE 1, 2005.

31 3-2A-09A.

32 (A) THIS SECTION APPLIES TO A CLAIM OR CAUSE OF ACTION FILED ON OR 33 AFTER JUNE 1, 2005.

(B) UNLESS A COURT FINDS GOOD CAUSE NOT TO APPOINT A NEUTRAL
EXPERT WITNESS, THE COURT SHALL EMPLOY A NEUTRAL EXPERT WITNESS TO
TESTIFY ON THE ISSUE OF A PLAINTIFF'S ECONOMIC DAMAGES AND PERIODIC
PAYMENTS UNDER THIS SUBTITLE.

1 (C) UNLESS OTHERWISE AGREED BY THE PARTIES, THE COSTS OF A NEUTRAL 2 EXPERT WITNESS SHALL BE DIVIDED EQUALLY AMONG THE PARTIES.

3 (D) NOTHING CONTAINED IN THIS SECTION LIMITS THE AUTHORITY OF A 4 COURT CONCERNING A COURT'S WITNESS.

5 3-2A-09B.

6 (A) THIS SECTION APPLIES TO AN AWARD UNDER § 3-2A-05 OF THIS SUBTITLE 7 OR A VERDICT UNDER § 3-2A-06 OF THIS SUBTITLE FOR A CAUSE OF ACTION ARISING 8 ON OR AFTER JANUARY 1, 2005.

9 (B) (1) AN AWARD OR VERDICT UNDER THIS SUBTITLE FOR NONECONOMIC 10 DAMAGES MAY NOT EXCEED \$500,000.

(2) THE LIMITATION UNDER PARAGRAPH (1) OF THIS SUBSECTION
 SHALL APPLY IN THE AGGREGATE TO ALL CLAIMS FOR PERSONAL INJURY AND
 WRONGFUL DEATH ARISING FROM THE SAME MEDICAL INJURY, REGARDLESS OF
 THE NUMBER OF CLAIMS, CLAIMANTS, PLAINTIFFS, OR DEFENDANTS.

15 (C) (1) IN A JURY TRIAL, THE JURY MAY NOT BE INFORMED OF THE 16 LIMITATION UNDER SUBSECTION (B) OF THIS SECTION.

17 (2) IF THE JURY AWARDS AN AMOUNT FOR NONECONOMIC DAMAGES
18 THAT EXCEEDS THE LIMITATION ESTABLISHED UNDER SUBSECTION (B) OF THIS
19 SECTION, THE COURT SHALL:

20

(I) REDUCE THE AMOUNT TO CONFORM TO THE LIMITATION; AND

(II) IF THE AWARD INCLUDES AMOUNTS FOR BOTH PAST AND
 FUTURE NONECONOMIC DAMAGES, REDUCE EACH AMOUNT PROPORTIONATELY TO
 THE TOTAL AWARD SO THAT THE TOTAL AWARD CONFORMS TO THE LIMITATION
 UNDER SUBSECTION (B)(1) OF THIS SECTION.

(3) IN A WRONGFUL DEATH ACTION IN WHICH THERE ARE TWO OR
MORE CLAIMANTS OR BENEFICIARIES, IF THE JURY AWARDS AN AMOUNT FOR
NONECONOMIC DAMAGES THAT EXCEEDS THE LIMITATION UNDER SUBSECTION (B)
OF THIS SECTION OR A REDUCTION UNDER PARAGRAPH (4) OF THIS SUBSECTION,
THE COURT SHALL:

(I) IF THE AMOUNT OF NONECONOMIC DAMAGES FOR THE
PRIMARY CLAIMANTS, AS DESCRIBED UNDER § 3-904(D) OF THIS TITLE, EQUALS OR
EXCEEDS THE LIMITATION UNDER SUBSECTION (B) OF THIS SECTION OR A
REDUCTION UNDER PARAGRAPH (4) OF THIS SUBSECTION:

REDUCE EACH INDIVIDUAL AWARD OF A PRIMARY
 CLAIMANT PROPORTIONATELY TO THE TOTAL AWARD OF ALL PRIMARY CLAIMANTS
 SO THAT THE TOTAL AWARD TO ALL CLAIMANTS OR BENEFICIARIES CONFORMS TO
 THE LIMITATION OR REDUCTION; AND

12.REDUCE EACH AWARD, IF ANY, TO A SECONDARY2CLAIMANT AS DESCRIBED UNDER § 3-904(E) OF THIS TITLE TO ZERO DOLLARS; OR

3 (II) IF THE AMOUNT OF NONECONOMIC DAMAGES FOR THE
4 PRIMARY CLAIMANTS DOES NOT EXCEED THE LIMITATION UNDER SUBSECTION (B)
5 OF THIS SECTION OR A REDUCTION UNDER PARAGRAPH (4) OF THIS SUBSECTION OR
6 IF THERE IS NO AWARD TO A PRIMARY CLAIMANT:

7 1. ENTER AN AWARD TO EACH PRIMARY CLAIMANT, IF ANY,
8 AS DIRECTED BY THE VERDICT; AND

2. REDUCE EACH INDIVIDUAL AWARD OF A SECONDARY
 CLAIMANT PROPORTIONATELY TO THE TOTAL AWARD OF ALL OF THE SECONDARY
 CLAIMANTS SO THAT THE TOTAL AWARD TO ALL CLAIMANTS OR BENEFICIARIES
 CONFORMS TO THE LIMITATION OR REDUCTION.

(4) IN A CASE IN WHICH THERE IS A PERSONAL INJURY ACTION AND A
WRONGFUL DEATH ACTION, IF THE TOTAL AMOUNT AWARDED BY THE JURY FOR
NONECONOMIC DAMAGES FOR BOTH ACTIONS EXCEEDS THE LIMITATION UNDER
SUBSECTION (B) OF THIS SECTION, THE COURT SHALL REDUCE THE AWARD IN EACH
ACTION PROPORTIONATELY SO THAT THE TOTAL AWARD FOR NONECONOMIC
DAMAGES FOR BOTH ACTIONS CONFORMS TO THE LIMITATION.

19 (D) (1) AN AWARD OR VERDICT FOR PAST MEDICAL EXPENSES SHALL
20 EXCLUDE ANY AMOUNT NOT ACTUALLY PAID BY OR ON BEHALF OF THE CLAIMANT
21 OR PLAINTIFF OR ANY AMOUNT ACTUALLY OWED BY THE CLAIMANT OR PLAINTIFF
22 TO A HEALTH CARE PROVIDER.

(2) THE AWARD OR VERDICT FOR PAST OR FUTURE LOSS OF EARNINGS
SHALL EXCLUDE ANY AMOUNT FOR FEDERAL, STATE, OR LOCAL INCOME TAXES OR
PAYROLL TAXES THAT THE CLAIMANT OR PLAINTIFF WOULD HAVE PAID ON THESE
EARNINGS, DETERMINED AT THE TAX RATES IN EFFECT FOR THE CLAIMANT OR
PLAINTIFF AT THE TIME THE AWARD OR VERDICT IS ENTERED.

(3) (I) EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH, AN
AWARD OR VERDICT FOR FUTURE MEDICAL EXPENSES SHALL BE BASED SOLELY ON
MEDICARE REIMBURSEMENT RATES IN EFFECT ON THE DATE OF THE AWARD OR
VERDICT FOR THE LOCALITY IN WHICH THE CARE IS TO BE PROVIDED, ADJUSTED
FOR INFLATION AS PROVIDED IN SUBPARAGRAPH (V) OF THIS PARAGRAPH.

(II) IF ON THE DATE OF THE AWARD OR VERDICT, THE MEDICARE
WAIVER UNDER § 1814(B) OF THE FEDERAL SOCIAL SECURITY ACT IS IN EFFECT, AN
AWARD OR VERDICT FOR FUTURE MEDICAL EXPENSES FOR HOSPITAL FACILITY
SERVICES SHALL BE BASED SOLELY ON THE RATES APPROVED BY THE HEALTH
SERVICES COST REVIEW COMMISSION IN EFFECT ON THE DATE OF THE AWARD OR
VERDICT FOR THE HOSPITAL FACILITY IN WHICH SERVICES ARE TO BE PROVIDED,
ADJUSTED FOR INFLATION AS PROVIDED IN THE ANNUAL RATE UPDATES APPROVED
BY THE HEALTH SERVICES COST REVIEW COMMISSION.

(III) AN AWARD OR VERDICT FOR FUTURE MEDICAL EXPENSES FOR
 NURSING FACILITY SERVICES SHALL BE BASED SOLELY ON THE STATEWIDE
 AVERAGE PAYMENT RATE FOR THE MEDICAL ASSISTANCE PROGRAM DETERMINED
 BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE IN EFFECT ON THE DATE
 OF THE AWARD OR VERDICT, ADJUSTED FOR INFLATION AS PROVIDED IN
 SUBPARAGRAPH (V) OF THIS PARAGRAPH.

7 (IV) AN AWARD OR VERDICT FOR FUTURE ECONOMIC DAMAGES FOR
8 WHICH THERE IS NO MEDICARE REIMBURSEMENT RATE, HOSPITAL FACILITY RATE,
9 OR STATEWIDE AVERAGE PAYMENT SHALL BE BASED ON ACTUAL COST ON THE DATE
10 OF THE AWARD OR VERDICT, ADJUSTED FOR INFLATION AS PROVIDED IN
11 SUBPARAGRAPH (V) OF THIS PARAGRAPH.

12 (V) 1. FUTURE MEDICAL ECONOMIC DAMAGES SHALL BE
13 ADJUSTED FOR INFLATION FOR THE EXPENDITURE CATEGORY OF THE CONSUMER
14 PRICE INDEX PUBLISHED BY THE BUREAU OF LABOR STATISTICS TO WHICH THE
15 EXPENSE APPLIES.

THE ADJUSTMENT FOR INFLATION UNDER
 SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH SHALL BE BASED ON THE AVERAGE
 RATE OF INFLATION FOR THE 5 YEARS IMMEDIATELY PRECEDING THE AWARD OR
 VERDICT.

20 3-2A-10.

21 (A) (1) THIS SECTION APPLIES TO AN AWARD OR A VERDICT UNDER THIS
22 SUBTITLE FOR A CAUSE OF ACTION ARISING ON OR AFTER JUNE 1, 2005.

23 (2) (I) THIS SECTION DOES NOT APPLY IF THE CLAIMANT OR
24 PLAINTIFF AND THE DEFENDANT AGREE TO AN ALTERNATIVE METHOD OF
25 PAYMENT.

(II) IF THE CLAIMANT OR PLAINTIFF AND DEFENDANT NOTIFY THE
ARBITRATION PANEL OR COURT WITHIN 30 DAYS OF THE ENTRY OF THE AWARD OR
VERDICT THAT THEY HAVE AGREED TO AN ALTERNATIVE METHOD OF PAYMENT,
THE ARBITRATION PANEL OR COURT SHALL ENTER THE TERMS OF THE AGREEMENT
ON THE RECORD AS PART OF THE AWARD OR JUDGMENT.

31 (B) (1) THIS SUBSECTION DOES NOT APPLY TO A SURVIVAL ACTION OR 32 WRONGFUL DEATH ACTION.

(2) IN A CLAIM OR ACTION UNDER THIS SUBTITLE, IF FUTURE
ECONOMIC DAMAGES AND FUTURE NONECONOMIC DAMAGES LIMITED IN
ACCORDANCE WITH THIS SUBTITLE IN THE AGGREGATE ARE \$100,000 OR LESS, THE
ARBITRATION PANEL OR THE COURT SHALL:

37 (I) ENTER THIS AMOUNT AS THE AWARD OR JUDGMENT FOR
 38 FUTURE ECONOMIC DAMAGES AND FUTURE NONECONOMIC DAMAGES; AND

14	UNOFFICIAL COPY OF HOUSE BILL 301
1 2	(II) ORDER THE DEFENDANT TO PAY THIS AMOUNT AS A LUMP SUM WITH PAST ECONOMIC DAMAGES AND PAST NONECONOMIC DAMAGES.
5 6 7	(3) (I) IN A CLAIM OR ACTION UNDER THIS SUBTITLE, IF FUTURE ECONOMIC DAMAGES AND FUTURE NONECONOMIC DAMAGES LIMITED IN ACCORDANCE WITH THIS SUBTITLE IN THE AGGREGATE ARE MORE THAN \$100,000, THE ARBITRATION PANEL OR THE COURT SHALL ORDER THE PAYMENT OF FUTURE ECONOMIC DAMAGES AND FUTURE NONECONOMIC DAMAGES IN PERIODIC PAYMENTS.
	(II) FOR GOOD CAUSE SHOWN, IF THE ARBITRATION PANEL OR COURT FINDS THAT THE CLAIMANT OR PLAINTIFF WILL INCUR IMMEDIATE ONE-TIME EXPENSES, THE ARBITRATION PANEL OR THE COURT:
	1. MAY ORDER THE DEFENDANT TO PAY THE AMOUNT OF IMMEDIATE ONE-TIME EXPENSES TO THE CLAIMANT OR PLAINTIFF AS A LUMP SUM; AND
17 18	2. UNLESS THE REMAINING AMOUNT OF THE FUTURE ECONOMIC DAMAGES AND FUTURE NONECONOMIC DAMAGES IS LESS THAN \$100,000, SHALL ORDER THE REMAINING AMOUNT TO BE PAID PERIODICALLY TO THE CLAIMANT OR PLAINTIFF AFTER PAYMENT OF THE CLAIMANT OR PLAINTIFF'S ATTORNEY'S FEES.
20	(C) FOR A SURVIVAL ACTION OR WRONGFUL DEATH ACTION:
	(1) ALL NONECONOMIC DAMAGES SHALL BE PAID AS A LUMP SUM WITH PAST ECONOMIC DAMAGES, PAST PECUNIARY LOSS, AND OTHER PAST ECONOMIC DAMAGES; AND
26	(2) IF FUTURE PECUNIARY LOSS AND OTHER FUTURE ECONOMIC DAMAGES ARE IN EXCESS OF \$100,000, THE ARBITRATION PANEL OR COURT SHALL ORDER THE FUTURE PECUNIARY LOSS AND OTHER FUTURE ECONOMIC DAMAGES TO BE PAID AS PERIODIC PAYMENTS UNDER THIS SECTION.
28 29	(D) FOR ANY PART OF AN AWARD OR JUDGMENT SUBJECT TO PERIODIC PAYMENTS UNDER THIS SECTION, THE DEFENDANT SHALL PAY:
30 31	(1) THE CLAIMANT'S OR PLAINTIFF'S ATTORNEY'S FEES OWED BY THE CLAIMANT OR PLAINTIFF FOR THE AMOUNT SUBJECT TO PERIODIC PAYMENTS; AND
32	(2) THE AMOUNT REMAINING AS PERIODIC PAYMENTS.
33 34	(E) (1) FOR A CLAIM SUBJECT TO PERIODIC PAYMENTS UNDER THIS SECTION, THE FINDER OF FACT SHALL ALSO DETERMINE:
35 36	(I) IN A CLAIM FOR PERSONAL INJURY OTHER THAN A SURVIVAL ACTION:
37	1. THE LIFE EXPECTANCY OF THE CLAIMANT OR PLAINTIFF;

15 **UNOFFICIAL COPY OF HOUSE BILL 301** 2. THE WORKING LIFE OF THE CLAIMANT OR PLAINTIFF; 1 THE COMMENCEMENT DATE OF THE WORKING LIFE OF 2 3. **3 THE CLAIMANT OR PLAINTIFF;** THE NUMBER OF YEARS FOR WHICH THE CLAIMANT OR 4 4. 5 PLAINTIFF WILL NEED MEDICAL TREATMENT, IF LESS THAN THE LIFE EXPECTANCY 6 OF THE CLAIMANT OR PLAINTIFF: 7 5. THE NUMBER OF YEARS FOR WHICH THE CLAIMANT OR 8 PLAINTIFF WILL SUFFER A LOSS OF EARNINGS, IF LESS THAN THE WORKING LIFE OF 9 THE CLAIMANT OR PLAINTIFF; 10 6. THE TOTAL AMOUNT OF FUTURE ECONOMIC DAMAGES, 11 OTHER THAN FUTURE LOST EARNINGS, BEFORE DISCOUNTING THIS AMOUNT TO 12 PRESENT VALUE: AND THE TOTAL AMOUNT OF FUTURE LOST EARNINGS BEFORE 13 7. 14 DISCOUNTING THIS AMOUNT TO PRESENT VALUE; OR 15 (II) IN A CLAIM FOR WRONGFUL DEATH: 16 THE PERIOD FOR WHICH THE CLAIMANT OR PLAINTIFF 1. 17 MIGHT REASONABLY HAVE EXPECTED A PECUNIARY BENEFIT FROM THE DECEDENT 18 HAD THE WRONGFUL DEATH NOT OCCURRED: AND 19 2. THE TOTAL AMOUNT OF PECUNIARY BENEFIT BEFORE 20 DISCOUNTING THIS AMOUNT TO PRESENT VALUE. 21 (F) (1)THE CLAIMANT OR PLAINTIFF AND THE DEFENDANT WITHIN 30 22 DAYS OF THE AWARD OR JUDGMENT MAY SUBMIT TO THE ARBITRATION PANEL OR 23 THE COURT A PROPOSAL TO COMPLY WITH THIS SECTION. 24 AN ARBITRATION PANEL OR COURT SHALL REQUIRE A NEUTRAL (2)25 EXPERT APPOINTED UNDER § 3-2A-09 OF THIS SUBTITLE TO SUBMIT A PROPOSAL TO 26 FULFILL THE REOUIREMENTS OF THIS SECTION CONCERNING PERIODIC PAYMENTS. 27 THE ARBITRATION PANEL OR COURT SHALL ORDER THE DEFENDANT (3)28 TO COMPLY WITH THE TERMS OF A PROPOSAL SUBMITTED UNDER THIS SUBSECTION 29 THAT BEST SUITS THE NEEDS OF THE CLAIMANT OR PLAINTIFF, WITH ANY 30 MODIFICATIONS THAT THE ARBITRATION PANEL OR COURT CONSIDERS 31 APPROPRIATE. 32 (G) (1)A PROPOSAL UNDER SUBSECTION (F) OF THIS SECTION MAY 33 INCLUDE A RECOMMENDATION CONCERNING THE PURCHASE OF AN ANNUITY OR 34 ANNUITIES TO SATISFY THIS SECTION, INCLUDING THE NAME OF THE PERSON WHO 35 WILL ISSUE THE ANNUITY AND ANY RELEVANT INFORMATION CONCERNING THE

36 RATING OF THE PERSON BY A NATIONAL RATING ORGANIZATION.

(2) SUBJECT TO PARAGRAPHS (3), (4), AND (5) OF THIS SUBSECTION, ANY
 ANNUITY OR ANNUITIES SHALL ENSURE THAT THE CLAIMANT OR PLAINTIFF
 RECEIVES FOR THE LENGTH OF TIME DETERMINED UNDER SUBSECTION (E) OF THIS
 SECTION THE AMOUNTS DETERMINED UNDER SUBSECTION (E)(1)6 AND 7 AND (II)2 OF
 THIS SECTION, LESS THE PERCENTAGE OF ATTORNEY'S FEES PAID UNDER
 SUBSECTION (D) OF THIS SECTION.

7 (3) (I) AN ANNUITY TO FUND FUTURE LOSS OF EARNINGS SHALL
8 HAVE A GUARANTEED TERM EQUAL TO THE LESSER OF THE NUMBER OF YEARS FOR
9 WHICH THE CLAIMANT OR PLAINTIFF WILL SUFFER A LOSS OF EARNINGS OR THE
10 WORKING LIFE OF THE CLAIMANT OR PLAINTIFF, DETERMINED UNDER SUBSECTION
11 (E) OF THIS SECTION.

(II) IF THE CLAIMANT OR PLAINTIFF DIES BEFORE THE END OF THE
 GUARANTEED TERM OF THE ANNUITY, THE UNPAID BALANCE OF AN ANNUITY SHALL
 BE PAID AS A LUMP SUM TO THE ESTATE OF THE CLAIMANT OR PLAINTIFF.

15 (4) AN ANNUITY TO FUND FUTURE MEDICAL EXPENSES, OTHER FUTURE
16 ECONOMIC DAMAGES, OR NONECONOMIC DAMAGES SHALL TERMINATE ONLY ON
17 THE DEATH OF THE CLAIMANT OR PLAINTIFF.

(5) AN ANNUITY TO FUND PECUNIARY BENEFIT IN A WRONGFUL DEATH
CLAIM OR ACTION SHALL TERMINATE AT THE EARLIER OF THE PERIOD FOR WHICH
THE CLAIMANT OR PLAINTIFF MIGHT REASONABLY HAVE EXPECTED A PECUNIARY
BENEFIT FROM THE DECEDENT HAD THE WRONGFUL DEATH NOT OCCURRED AS
DETERMINED UNDER SUBSECTION (E) OF THIS SECTION OR THE DEATH OF THE
CLAIMANT OR PLAINTIFF.

(6) IF AN ARBITRATION PANEL OR COURT FINDS THAT THE PURCHASE
OF AN ANNUITY OR ANNUITIES PROPOSED UNDER THIS SUBSECTION WILL FULLY
FUND THE AWARD OR JUDGMENT AND IS FINANCIALLY SECURE, EXCEPT FOR GOOD
CAUSE SHOWN, THE ARBITRATION PANEL OR COURT SHALL ORDER THE DEFENDANT
TO PURCHASE THE ANNUITY OR ANNUITIES.

(7) IF AN ARBITRATION PANEL OR COURT APPROVES A PROPOSAL TO
PAY PERIODIC PAYMENTS BY MEANS OF AN ANNUITY OR ANNUITIES UNDER THIS
SECTION, SATISFACTORY EVIDENCE OF THE PURCHASE OF AN ANNUITY OR
ANNUITIES SHALL FULLY SATISFY THE PORTION OF THE AWARD OR JUDGMENT FOR
FUTURE DAMAGES SUBJECT TO PERIODIC PAYMENTS UNDER THIS SECTION.

34 (H) (1) THIS SUBSECTION DOES NOT APPLY IF THE ARBITRATION PANEL OR
35 COURT ORDERS PAYMENTS BY MEANS OF AN ANNUITY OR ANNUITIES UNDER
36 SUBSECTION (G) OF THIS SECTION.

(2) (I) PERIODIC PAYMENTS TO FUND FUTURE LOSS OF EARNINGS
SHALL HAVE A GUARANTEED TERM EQUAL TO THE LESSER OF THE NUMBER OF
YEARS FOR WHICH THE CLAIMANT OR PLAINTIFF WILL SUFFER A LOSS OF EARNINGS
OR THE WORKING LIFE OF THE CLAIMANT OR PLAINTIFF, DETERMINED UNDER
SUBSECTION (E) OF THIS SECTION.

(II) IF THE CLAIMANT OR PLAINTIFF DIES BEFORE THE END OF THE
 GUARANTEED TERM OF THE PERIODIC PAYMENTS FOR FUTURE LOSS OF EARNINGS,
 THE UNPAID BALANCE OF THE AWARD OR JUDGMENT SHALL BE PAID AS A LUMP
 SUM TO THE ESTATE OF THE CLAIMANT OR PLAINTIFF.

5 (3) PERIODIC PAYMENTS TO FUND FUTURE MEDICAL EXPENSES, OTHER
6 FUTURE ECONOMIC DAMAGES, OR NONECONOMIC DAMAGES MAY NOT EXCEED THE
7 LIFE EXPECTANCY OF THE CLAIMANT OR PLAINTIFF AS DETERMINED UNDER
8 SUBSECTION (E) OF THIS SECTION AND SHALL TERMINATE AT THE DEATH OF THE
9 CLAIMANT OR PLAINTIFF.

(4) IN A WRONGFUL DEATH CASE, PERIODIC PAYMENTS FOR FUTURE
 PECUNIARY LOSS SHALL TERMINATE AT THE EARLIER OF THE PERIOD FOR WHICH
 THE CLAIMANT OR PLAINTIFF MIGHT REASONABLY HAVE EXPECTED A PECUNIARY
 BENEFIT FROM THE DECEDENT HAD THE WRONGFUL DEATH NOT OCCURRED AS
 DETERMINED UNDER SUBSECTION (E) OF THIS SECTION OR THE DEATH OF THE
 CLAIMANT OR PLAINTIFF.

16 (5) (I) UNLESS THE DEFENDANT'S INSURER IS AUTHORIZED TO DO
17 BUSINESS IN THIS STATE AND MAINTAINS RESERVES IN COMPLIANCE WITH RULES
18 OF THE INSURANCE COMMISSIONER TO ASSURE THE PAYMENT OF ALL FUTURE
19 DAMAGES, THE COURT SHALL REQUIRE THE DEFENDANT TO POST ADEQUATE
20 SECURITY TO ENSURE THE PERIODIC PAYMENTS REQUIRED UNDER THIS SECTION.

(II) IF THE ARBITRATION PANEL OR COURT IS NOT SATISFIED WITH
 THE SECURITY POSTED BY THE DEFENDANT, THE ARBITRATION PANEL OR COURT,
 AFTER GIVING THE DEFENDANT AN OPPORTUNITY TO POST ADDITIONAL SECURITY,
 SHALL ORDER THE DEFENDANT TO PAY THE CLAIMANT OR PLAINTIFF IN A LUMP
 SUM.

26 (I) (1) PERIODIC PAYMENTS FOR FUTURE LOSS OF EARNINGS MAY NOT
27 COMMENCE UNTIL THE COMMENCEMENT DATE OF THE WORKING LIFE OF THE
28 CLAIMANT OR PLAINTIFF.

(2) THE DEFENDANT'S INSURER SHALL BE OBLIGATED TO MAKE
PERIODIC PAYMENTS ONLY TO THE EXTENT OF THE COVERAGE THE INSURER IS
OBLIGATED TO PROVIDE UNDER THE INSURANCE POLICY ISSUED TO THE
DEFENDANT.

(J) THE PROVISIONS OF TITLE 5, SUBTITLE 11 OF THIS ARTICLE APPLY TO A
 34 TRANSFER OF PAYMENT RIGHTS UNDER THIS SECTION.

35 [3-2A-10.] 3-2A-11.

36 Except as otherwise provided in §§ 3-2A-05, 3-2A-06, 3-2A-08A [and], 3-2A-09,

37 3-2A-09B, AND 3-2A-10 of this subtitle, the provisions of this subtitle shall be deemed

38 procedural in nature and may not be construed to create, enlarge, or diminish any

39 cause of action not heretofore existing, except the defense of failure to comply with the

40 procedures required under this subtitle.

1 8-306.

2 In a civil action in which a jury trial is permitted, the jury shall consist of AT 3 LEAST 6 jurors.

4 9-124.

5 (A) IN A CIVIL ACTION, IF A COURT DETERMINES THAT SCIENTIFIC,
6 TECHNICAL, OR OTHER SPECIALIZED KNOWLEDGE WILL ASSIST THE TRIER OF FACT
7 TO UNDERSTAND THE EVIDENCE OR TO DETERMINE A FACT IN ISSUE, A WITNESS
8 DETERMINED BY THE COURT TO BE QUALIFIED AS AN EXPERT BY KNOWLEDGE,
9 SKILL, EXPERIENCE, TRAINING, OR EDUCATION MAY TESTIFY CONCERNING THE
10 EVIDENCE OR FACT IN ISSUE IN THE FORM OF AN OPINION OR OTHERWISE ONLY IF
11 THE FOLLOWING CRITERIA ARE MET:

12 (1) THE TESTIMONY IS BASED ON SUFFICIENT FACTS OR DATA;

13(2)THE TESTIMONY IS THE PRODUCT OF RELIABLE PRINCIPLES AND14 METHODS; AND

15(3)THE WITNESS HAS APPLIED THE PRINCIPLES AND METHODS16RELIABLY TO THE FACTS OF THE CASE.

17 (B) (1) IF A COURT CONSIDERS IT NECESSARY OR ON MOTION BY A PARTY,
18 THE COURT MAY HEAR EVIDENCE REGARDING THE CRITERIA IN SUBSECTION (A) OF
19 THIS SECTION, INCLUDING HEARING TESTIMONY FROM THE PROPOSED EXPERT
20 WITNESS.

(2) IF THE COURT DECIDES TO HEAR EVIDENCE REGARDING THE
(2) CRITERIA IN SUBSECTION (A) OF THIS SECTION, THE COURT SHALL HEAR THE
(3) EVIDENCE OUT OF THE PRESENCE OF A JURY.

24 11-107.

25 (a) Except as provided in § 11-106 of this article, the legal rate of interest on

26 a judgment shall be at the rate of [10 percent per annum on the amount of judgment]

27 THE WEEKLY AVERAGE 1-YEAR CONSTANT MATURITY TREASURY YIELD, AS

28 PUBLISHED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FOR

29 THE CALENDAR WEEK PRECEDING THE DATE OF THE JUDGMENT.

30 11-108.

31 (c) An award by the health claims arbitration panel in accordance with §

32 3-2A-05 of this article for damages in which the cause of action arose before January

33 1, 2005, shall be considered an award for purposes of this section.

34 (e) The provisions of this section do not apply to AN ARBITRATION AWARD OR

35 a verdict under Title 3, Subtitle 2A of this article for damages in which the cause of

36 action arises on or after January 1, 2005.

1 11-109.

2 (c) (1) The court [or the health claims arbitration panel] may order that all 3 or part of the future economic damages portion of the award be paid in the form of 4 annuities or other appropriate financial instruments, or that it be paid in periodic or 5 other payments consistent with the needs of the plaintiff, funded in full by the 6 defendant or the defendant's insurer and equal when paid to the amount of the future 7 economic damages award.

8 (2) In the event that the court [or panel] shall order that the award for 9 future economic damages be paid in a form other than a lump sum, the court [or 10 panel] shall order that the defendant or the defendant's insurer provide adequate 11 security for the payment of all future economic damages.

12 (3) The court [or panel] may appoint a conservator under this 13 subsection for the plaintiff, upon such terms as the court [or panel] may impose, who 14 shall have the full and final authority to resolve any dispute between the plaintiff and 15 the defendant or the defendant's insurer regarding the need or cost of expenses for the 16 plaintiff's medical, surgical, custodial, or other care or treatment.

[(d)] (4) If the plaintiff [under this section] dies before the final periodic
payment of an award is made, the unpaid balance of the award for future loss of
earnings shall revert to the estate of the plaintiff and the unpaid balance of the award
for future medical expenses shall revert to the defendant or to the defendant's insurer
if the insurer provided the funds for the future damages award.

(D) IF A HEALTH CLAIMS ARBITRATION PANEL AWARDS FUTURE ECONOMIC
DAMAGES IN ACCORDANCE WITH § 3-2A-05 OF THIS ARTICLE FOR DAMAGES IN
WHICH THE CAUSE OF ACTION ARISES BEFORE JUNE 1, 2005, THE ARBITRATION
PANEL MAY ORDER THAT FUTURE ECONOMIC DAMAGES BE PAID IN ACCORDANCE
WITH THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION.

27 (E) THE PROVISIONS OF THIS SECTION DO NOT APPLY TO AN ARBITRATION
28 AWARD OR VERDICT UNDER TITLE 3, SUBTITLE 2A OF THIS ARTICLE FOR DAMAGES IN
29 WHICH THE CAUSE OF ACTION ARISES ON OR AFTER JUNE 1, 2005.

Article - Health Occupations

31 14-101.

30

32 (1) (1) "Practice medicine" means to engage, with or without compensation[, 33 in medical]:

- 34 (i) IN MEDICAL:
- 35 1. Diagnosis;
- 36 [(ii)] 2. Healing;
- 37 [(iii)] 3. Treatment; or

[(iv)] 1 4. Surgery; OR 2 IN TESTIFYING AS OR OFFERING AN OPINION AS A MEDICAL (II) 3 EXPERT WITNESS REGARDING THE CONDUCT DESCRIBED IN ITEM (I) OF THIS 4 PARAGRAPH IN THE COURSE OF A LEGAL PROCEEDING. 5 14-302. Subject to the rules, regulations, and orders of the Board, the following 6 7 individuals may practice medicine without a license: 8 A physician who resides in and is authorized to practice medicine by (4)9 any state adjoining this State and whose practice extends into this State, if: 10 (ii) The same privileges are extended to licensed physicians of this 11 State by the adjoining state; [and] 12 An individual while under the supervision of a licensed physician (5)13 who has specialty training in psychiatry, and whose specialty training in psychiatry 14 has been approved by the Board, if the individual submits an application to the Board 15 on or before October 1, 1993, and either: Has 4,000 hours of supervised clinical experience that is 16 (ii) 2. approved by the Board; AND 17 18 A PHYSICIAN LICENSED BY AND RESIDING IN ANOTHER (6)19 JURISDICTION, WHILE TESTIFYING IN A CIVIL ACTION OR ATTESTING TO 20 COMPLIANCE WITH OR DEPARTURES FROM STANDARDS OF CARE FOR PURPOSES OF 21 A CERTIFICATE OF QUALIFIED EXPERT UNDER TITLE 3, SUBTITLE 2A OF THE COURTS 22 ARTICLE. 23 14-401. 24 (i) Those individuals not licensed under this title but covered under § (1)25 14-413(a)(1)(ii)3 and 4 of this subtitle are subject to the hearing provisions of § 26 14-405 of this subtitle. 27 (2)THOSE INDIVIDUALS WHO PRACTICE MEDICINE BUT ARE NOT 28 LICENSED UNDER § 14-302(6) OF THIS TITLE ARE SUBJECT TO THE PROVISIONS OF 29 THIS SUBTITLE. 30 14-404. 31 (a) Subject to the hearing provisions of § 14-405 of this subtitle, the Board, on 32 the affirmative vote of a majority of the quorum, may reprimand any licensee, place

33 any licensee on probation, or suspend or revoke a license, OR TAKE SIMILAR

34 DISCIPLINARY ACTIONS AGAINST AN INDIVIDUAL EXEMPT FROM LICENSING UNDER

35 § 14-302(6) OF THIS TITLE if the licensee OR INDIVIDUAL:

1 2	(1) for the applicant or lie	Fraudulently or deceptively obtains or attempts to obtain a license censee or for another;
3	(2)	Fraudulently or deceptively uses a license;
4 5	(3) medicine;	Is guilty of immoral or unprofessional conduct in the practice of
6	(4)	Is professionally, physically, or mentally incompetent;
7	(5)	Solicits or advertises in violation of § 14-503 of this title;
8	(6)	Abandons a patient;
9	(7)	Habitually is intoxicated;
10 11		Is addicted to, or habitually abuses, any narcotic or controlled as defined in § 5-101 of the Criminal Law Article;
12	(9)	Provides professional services:
13		(i) While under the influence of alcohol; or
	defined in § 5-101 of	(ii) While using any narcotic or controlled dangerous substance, as 5 the Criminal Law Article, or other drug that is in excess of or without valid medical indication;
17 18	(-)	Promotes the sale of drugs, devices, appliances, or goods to a patient atient for financial gain;
19 20	(11) medicine;	Willfully makes or files a false report or record in the practice of
	(12) law, willfully impede another to fail to file	Willfully fails to file or record any medical report as required under es or obstructs the filing or recording of the report, or induces or record the report;
	Subtitle 3 of the Hea	On proper request, and in accordance with the provisions of Title 4, lth - General Article, fails to provide details of a patient's patient, another physician, or hospital;
27 28		Solicits professional patronage through an agent or other person or of a person who is represented as an agent of the physician;
		Pays or agrees to pay any sum to any person for bringing or referring or agrees to accept any sum from any person for bringing or
	to the laboratory for	Agrees with a clinical or bioanalytical laboratory to make payments a test or test series for a patient, unless the licensed physician to the patient or third-party payor:

22	UNOF	FICIAL COPY OF HOUSE BILL 301
1	(i)	The name of the laboratory;
2	(ii)	The amount paid to the laboratory for the test or test series; and
3 4 physician, if any, for	(iii) each spe	The amount of procurement or processing charge of the licensed cimen taken;
5 (17)	Makes	a willful misrepresentation in treatment;
6 (18) 7 unauthorized person		es medicine with an unauthorized person or aids an actice of medicine;
8 (19)	Grossly	v overutilizes health care services;
9 (20) 10 method, treatment,		undertakes, or agrees to cure or treat disease by a secret ne;
13 United States unifor	rt of any med serv	plined by a licensing or disciplinary authority or convicted or state or country or disciplined by any branch of the ices or the Veterans' Administration for an act that nary action under this section;
	delivery o	meet appropriate standards as determined by appropriate f quality medical and surgical care performed in an fice, hospital, or any other location in this State;
18 (23) 19 are not provided;	Willful	ly submits false statements to collect fees for which services
	ty or by a	bject to investigation or disciplinary action by a licensing or court of any state or country for an act that would be n under this section and the licensee:
2324 state or country; or	(i)	Surrendered the license issued by the state or country to the
25 26 lapse;	(ii)	Allowed the license issued by the state or country to expire or
27 (25) 28 of the Family Law 2		ngly fails to report suspected child abuse in violation of § 5-704
29 (26)30 alternative methods31 Article;		educate a patient being treated for breast cancer of ent as required by § 20-113 of the Health - General
32 (27) 33 illegitimate medical	-	rescribes, gives away, or administers drugs for illegal or ;
34 (28)	Fails to	comply with the provisions of § 12-102 of this article;

	Refuses, withholds from, denies, or discriminates against an rd to the provision of professional services for which the licensee fied to render because the individual is HIV positive;
4 (30) 5 existence since July	Except as to an association that has remained in continuous 1, 1963:
6 7 pharmacy for the pu	(i) Associates with a pharmacist as a partner or co-owner of a rpose of operating a pharmacy;
8 9 or	(ii) Employs a pharmacist for the purpose of operating a pharmacy;
10 11 pharmacy;	(iii) Contracts with a pharmacist for the purpose of operating a
12 (31)13 feasible or practical14 guidelines on unive	Except in an emergency life-threatening situation where it is not ble, fails to comply with the Centers for Disease Control's rsal precautions;
15 (32)	Fails to display the notice required under § 14-415 of this title;
16 (33) 17 Board;	Fails to cooperate with a lawful investigation conducted by the
18 (34) 19 Insurance Article;	Is convicted of insurance fraud as defined in § 27-801 of the
20(35)21licensee's receipt of	Is in breach of a service obligation resulting from the applicant's or State or federal funding for the licensee's medical education;
22 (36) 23 application for licer	Willfully makes a false representation when seeking or making nsure or any other application related to the practice of medicine;
26 or change testimony	By corrupt means, threats, or force, intimidates or influences, or ate or influence, for the purpose of causing any person to withhold y in hearings or proceedings before the Board or those otherwise fice of Administrative Hearings;
28 (38)29 delays any person fi30 any investigation of	By corrupt means, threats, or force, hinders, prevents, or otherwise rom making information available to the Board in furtherance of the Board;
	Intentionally misrepresents credentials for the purpose of testifying ert opinion in hearings or proceedings before the Board or those I to the Office of Administrative Hearings; [or]
34 (40) 35 peer review; OR	Fails to keep adequate medical records as determined by appropriate

(41) FALSELY TESTIFIES OR ATTESTS TO COMPLIANCE WITH OR
 DEPARTURE FROM STANDARDS OF CARE WHEN ATTESTING TO A CERTIFICATE OF
 QUALIFIED EXPERT UNDER TITLE 3, SUBTITLE 2A OF THE COURTS ARTICLE OR
 TESTIFYING IN A CIVIL ACTION, AS DETERMINED BY APPROPRIATE PEER REVIEW.

5

Article - Insurance

6 [24-214.

7 (a) In this section, "medical professional liability insurance" means insurance
8 providing coverage against damages due to medical injury arising out of the
9 performance of professional services rendered or which should have been rendered by
10 a health care provider.

11 (b) Notwithstanding § 10-130(a) of this subtitle, the Society shall:

12 (1) offer policyholders and potential policyholders the ability to purchase 13 and renew coverage directly from the Society; and

14 (2) for a policyholder that purchases or renews coverage directly, provide 15 a premium discount or rebate in an amount equivalent to the commission the Society 16 would have paid an insurance producer to sell the same policy less 1% for 17 administrative expense.

18 (c) Beginning January 1, 2005 until December 31, 2009, an authorized insurer 19 that issues policies of medical professional liability insurance in the State may not 20 pay a commission at a rate that exceeds 5% of the premium.]

21 SECTION 2. AND BE IT FURTHER ENACTED, That §§ 3-2A-05(h),

22 3-2A-06(f)(1), (5), and (6), 3-2A-11, 5-608.1, 8-306, and 11-107(a) of the Courts

23 Article as enacted by this Act shall be construed to apply only prospectively and may 24 not be applied or interpreted to have any effect on or application to any cause of action

25 arising before the effective date of this Act.

26 SECTION 3. AND BE IT FURTHER ENACTED, That §§ 3-2A-04(b)(1)1 and

27 (4), 3-2A-05(b)(4) and (e), and 9-124 of the Courts Article as enacted by this Act shall 28 be construed to apply only prospectively and may not be applied or interpreted to

29 have any effect on or application to any claim or case filed before the effective date of30 this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this
Act or the application thereof to any person or circumstance is held invalid for any
reason in a court of competent jurisdiction, the invalidity does not affect other
provisions or any other application of this Act which can be given effect without the
invalid provision or application, and for this purpose the provisions of this Act are
declared severable.

37 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take 38 effect June 1, 2005.