



Maryland
Hospital Association

March 27, 2024

To: The Honorable Luke Clippinger, Chair, House Judiciary Committee

Re: Letter of Opposition - Senate Bill 538 - Civil Actions - Noneconomic Damages - Personal Injury and Wrongful Death

Dear Chair Clippinger:

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment on Senate Bill 538. Maryland hospitals oppose efforts that would make the state's highly litigious environment even more unsustainable. SB 538 would needlessly raise the cost of health care and make it difficult to attract and retain the doctors necessary to continue to provide the highest quality care.

A plaintiff in Maryland currently can seek economic and noneconomic damages for an injury. Compensation for economic damages, which are calculated to include lost wages or earning capacity and future medical care, is unlimited. These damages ensure the plaintiff will be cared for and that any income losses are adequately compensated not only to the plaintiff, but also to their family. Noneconomic damages, on the other hand, are not established using traditional methods. These damages purport to consider the plaintiff's pain and suffering as a result of the injuries sustained. Maryland currently has one of the highest caps in the country at \$935,000, and it automatically increases each year by \$15,000. For combined survival and death actions the damages can be as much as \$2,337,500. **The proposed amendments would raise this cap even further to an arbitrary number and escalate the amount of recovery possible at a faster rate.**

In 1986, the General Assembly enacted reasonable limits on noneconomic damages in response to disproportionate jury awards. These limits on noneconomic damages help to ensure the stability of Maryland's liability insurance market and civil justice system, while allowing reasonable compensation for pain and suffering. Reasonable limits on jury awards for noneconomic damages help preserve "the availability of sufficient liability insurance, at reasonable cost, in order to cover claims for personal injuries to members of the public."¹ Eliminating the caps on noneconomic damages would threaten the viability of Maryland's liability insurance market, raise insurance costs, and potentially limit access to care.

For these reasons, we request an *unfavorable* report on SB 538.

For more information, please contact:
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¹ Murphy v. Edmonds, 325 Md. 342, 369 (1992).