

HOUSE BILL 927

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HB 258/97 - JUD

1998 Regular Session
8lr0108

By: **Delegates Dembrow, Flanagan, and Genn**
Introduced and read first time: February 12, 1998
Assigned to: Judiciary

Committee Report: Favorable
House action: Adopted
Read second time: March 17, 1998

CHAPTER _____

1 AN ACT concerning

2 **Personal Injury Claims - Subrogation - Reduction**

3 FOR the purpose of requiring that the amount for which certain persons have a right
4 of subrogation for health care benefits paid or payable on behalf of an injured
5 person be reduced by a certain amount related to the amount of attorney's fees
6 incurred by the injured person in a personal injury claim under certain
7 circumstances; providing for the application of this Act; defining a certain term;
8 and generally relating to a requirement that the amount of a person's right of
9 subrogation for health care benefits paid or payable to an injured person be
10 reduced under certain circumstances.

11 BY adding to
12 Article - Courts and Judicial Proceedings
13 Section 11-112
14 Annotated Code of Maryland
15 (1995 Replacement Volume and 1997 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Courts and Judicial Proceedings**

19 11-112.

20 (A) IN THIS SECTION, "PAYOR" HAS THE SAME MEANING STATED IN § 19-1501
21 OF THE HEALTH - GENERAL ARTICLE.

1 (B) THIS SECTION APPLIES TO ANY RIGHT OF SUBROGATION FOR PAYMENT
2 OF HEALTH CARE BENEFITS FOR AN INJURED PERSON PAID OR PAYABLE BY A PAYOR
3 UNDER A POLICY OF HEALTH INSURANCE, AS DEFINED IN § 1-101 OF THE INSURANCE
4 ARTICLE, OR ANY SYSTEM OF SELF-INSURANCE OR INDEMNIFICATION FOR HEALTH
5 CARE EXPENSES, IF THE AMOUNT OF THE SUBROGEE'S CLAIM AS DETERMINED
6 UNDER SUBSECTION (C) OF THIS SECTION IS VOLUNTARILY PAID BY THE INJURED
7 PERSON FROM THE INJURED PERSON'S RECOVERY IN A CLAIM FOR PERSONAL
8 INJURY.

9 (C) (1) UNLESS A SUBROGEE APPEARS, IN PERSON OR BY ITS ATTORNEY, IN
10 AN ACTION FOR PERSONAL INJURY, IN A SUBROGATION CLAIM ARISING OUT OF A
11 CLAIM FOR PERSONAL INJURY, THE AMOUNT PERMITTED TO BE RECOVERED BY A
12 PAYOR FOR HEALTH CARE BENEFITS PAID OR PAYABLE ON BEHALF OF THE INJURED
13 PERSON SHALL BE REDUCED BY THE AMOUNT THAT IS DETERMINED BY:

14 (I) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, DIVIDING
15 THE AMOUNT OF THE TOTAL RECOVERY IN THE CLAIM FOR PERSONAL INJURY INTO
16 THE TOTAL AMOUNT OF THE ATTORNEY'S FEES INCURRED BY THE INJURED PERSON
17 FOR SERVICES RENDERED IN CONNECTION WITH THE INJURED PERSON'S CLAIM;
18 AND

19 (II) MULTIPLYING THE RESULT UNDER SUBPARAGRAPH (I) OF THIS
20 PARAGRAPH BY THE AMOUNT OF THE PAYOR'S SUBROGATION CLAIM.

21 (2) THE PERCENTAGE UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION
22 MAY NOT EXCEED ONE-THIRD.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
24 construed only prospectively and may not be applied or interpreted to have any effect
25 on or application to any recovery by an injured person before the effective date of this
26 Act.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1998.