

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE
 Revised

House Bill 801 (Delegate Zirkin)

Judiciary

Health Care Malpractice Claims - Neutral Case Evaluation

This bill authorizes a circuit court and the U.S. District Court to refer a health care malpractice case, in which all parties agree to neutral case evaluation, to the Health Claims Arbitration Office (HCAO) within six months after a complaint is filed. The evaluator, appointed by the Director of HCAO, will evaluate the case within 45 days and notify the referring court and the director, in writing, of the results. The referring court will continue to have jurisdiction to rule on any motions or discovery matters and the neutral case evaluation may not interfere with the scheduled trial. Unless otherwise agreed by the parties, the cost of the neutral case evaluation may not exceed \$300 per case, which will be divided equally between the parties.

This bill applies to any claim pending or filed on or after October 1, 1999.

Fiscal Summary

State Effect: Special fund expenditures and revenues for the Health Claims Arbitration Office may increase by \$76,500 for FY 2000. Future year expenditures reflect annualization and 1% annual caseload increases.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
SF Revenues	\$76,500	\$103,000	\$104,000	\$105,100	\$106,100
SF Expenditures	\$76,500	\$103,000	\$104,000	\$105,100	\$106,100
Net Effect	\$0	\$0	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Effect: Special fund revenues and expenditures may increase by \$76,500 in fiscal 2000, which reflects the bill's October 1, 1999 effective date. HCAO currently adjudicates medical malpractice claims, and the administrative costs of handling neutral case evaluations can be handled by the present infrastructure. The neutral case evaluator may be paid up to \$300 for each case evaluation, which is divided equally between the parties. The fees collected are special funds that are directly paid to the evaluator. The number of expected neutral case evaluations is unknown at this time; however, HCAO estimates that up to half of the cases in which arbitration has been waived may be referred for neutral case evaluation, resulting in approximately 340 cases each year. It is assumed that the full \$300 will be charged in each case evaluation. All funds charged by HCAO are paid directly to the evaluator. Neutral case evaluation is expected to reduce some of the medical malpractice caseload in the courts, although the number of reduced cases is unknown at this time. Any reduction is not expected to affect the Judiciary's finances.

Information Source(s): Department of Health and Mental Hygiene (Board of Physician Quality Assurance), Health Claims Arbitration Office, Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - February 24, 1999
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