



MedStar Health

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SB 584 – Civil Actions - Noneconomic Damages - Personal Injury and Wrongful Death

Position: ***Oppose***

Senate Judicial Proceedings Committee

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MedStar Health is the largest healthcare provider in Maryland and the Washington, D.C. region. MedStar Health offers a comprehensive spectrum of clinical services through over 300 care locations, including 10 hospitals, 33 urgent care clinics, ambulatory care centers and an extensive array of primary and specialty care providers.

SB 584 would remove the cap on non-economic damages, injuries that are challenging to quantify and are commonly referred to as *pain and suffering*. These are different from economic damages, which can be quantified and documented with information like a medical bill or lost wages. There is no cap on *economic damages* in Maryland, which are unlimited and fully recoverable. 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.

A non-economic damage cap was first enacted in Maryland in 1986 and set at \$350,000. This cap has been adjusted over the years and increases automatically at a rate of \$15,000 per year. It is currently set at \$950,000 and automatically increases next year.

SB 584 would negatively impact Maryland's healthcare system. Maryland's litigation and insurance environment is already one of the most troubling in the country. SB 584 would make that environment even more problematic. Many of the same insurers that provide general liability insurance provide medical liability insurance. A number of these insurers have stopped writing coverage in the state, or they have significantly reduced the amount of coverage they are willing to provide and, in addition, have raised their rates in responses to the losses they are experiencing. SB 584 would cause a self-inflicted increase in cost for all businesses, including healthcare, which in turn would raise healthcare costs. At a time where hospitals are experiencing staffing shortages, SB 584 will be one more issue that makes it difficult to attract and retain the nurses and doctors we need to continue providing Marylanders with the high quality of care they have come to expect.

These crushing expenses take resources from important needs like new clinical programs, expanded services, and public health initiatives to reduce social determinants, as well as from investments in infrastructure for new technology, modern equipment, and training and support (including compensation) for nurses and other healthcare professionals. A better balance between a desire to fairly compensate plaintiffs and these extraordinarily important needs must be struck.

For the reasons above, MedStar Health urges an ***unfavorable*** report on **SB 584**.

It's how we treat people.