



Senate Judicial Proceedings Committee

Bill: SB0474 – Civil Actions – Noneconomic Damages – Personal Injury and Wrongful Death

Date: 2-18-26

Position: Unfavorable

Dear Chairman Smith and Committee Members:

LifeBridge Health respectfully submits this testimony in opposition to SB0474. LifeBridge Health is one of Maryland's largest healthcare providers, serving communities across the state through multiple hospitals, outpatient centers, and community-based programs. We are deeply committed to providing high-quality, accessible care to all Marylanders, particularly vulnerable and underserved populations.

SB0474 would remove the statutory cap on noneconomic damages in personal injury and wrongful death actions. Noneconomic damages—often described as “pain and suffering”—are inherently subjective and difficult to quantify. In contrast, economic damages, including medical expenses, rehabilitation costs, and lost wages, are not capped in Maryland and are fully recoverable. These uncapped economic damages ensure that plaintiffs are compensated for tangible financial losses and future care needs.

Maryland's noneconomic damages cap was originally enacted in 1986 to bring stability and predictability to the state's liability environment. The cap has regularly adjusted and currently increases annually. This structured approach reflects a longstanding policy balance between compensating injured parties and maintaining a stable healthcare and business climate. It is currently set at \$950,000 and automatically increases next year.

SB0474 would negatively impact Maryland's healthcare system. Maryland's litigation and insurance environment is already one of the most troubling in the country. SB 0474 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. Removing the cap would cause a self-inflicted increase in cost for all businesses, including healthcare, which in turn would raise healthcare costs. Moreover, these increased insurance costs and insurers exiting the market have led to providers exiting the Maryland market, most significantly in areas with our State's most vulnerable citizens. Removing the caps on non-economic damages will only accelerate these issues and further challenge access to care, particularly for our underserved citizens who already have serious barriers accessing care.

Maryland already faces a challenging litigation and insurance environment. Medical liability insurers rigorously evaluate state-specific risk when determining whether to write coverage, how much



coverage to provide, and at what cost. Removing the cap on noneconomic damages would increase exposure for providers and hospitals, leading to higher premiums, reduced availability of coverage, or both. Those costs do not remain isolated—they are absorbed by hospitals, physicians, and patients.

At a time when hospitals are navigating workforce shortages, financial pressures, and rising operational costs, SB0474 would introduce additional and unpredictable liability exposure. Increased insurance premiums and litigation risk divert critical resources away from patient care, clinical innovation, community health initiatives, and workforce recruitment and retention efforts.

Healthcare systems operate within tight margins, particularly those serving high volumes of Medicaid and uninsured patients. Funds redirected toward escalating liability costs reduce our ability to invest in:

- New and expanded clinical programs.
- Modern medical technology and infrastructure
- Behavioral health and community-based services
- Competitive compensation and support for nurses, physicians, and allied health professionals

While we recognize and respect the importance of ensuring fair compensation for injured individuals, Maryland law already provides for full recovery of economic damages and a structured, annually adjusted noneconomic damages cap. SB0474 would fundamentally alter this framework in a manner that increases systemic costs without improving access to care or strengthening patient safety.

For these reasons, LifeBridge Health respectfully urges an unfavorable report on SB0474.

Respectfully,

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