

STATE FARM INSURANCE COMPANIES

HOUSE BILL 385 (COURTS AND JUDICIAL PROCEEDINGS – EVIDENCE – REBUTTABLE PRESUMPTION OF MEDICAL BILLS)

POSITION: OPPOSED

HB385 would establish a rebuttable presumption that a medical bill is authentic, fair and reasonable, and provide that, for purposes of admissibility, expert testimony is not required to prove the authenticity, fairness or reasonableness of a medical bill.

State Farm opposes this bill because it would unfairly shift the burden from the plaintiff to the defendant to prove that a medical bill is authentic, fair and reasonable. The existing law (§10-104), which applies to cases in the District Court (or a circuit court if the amount in controversy does not exceed \$30,000), makes medical bills admissible without the health care provider's testimony as evidence of the amount, fairness and reasonableness of the bill, but it does not create a presumption that the bill is fair and reasonable as HB385 would do. Further, §10-104 also allows a defendant's report challenging the fairness and reasonableness of a medical bill to be admitted without expert testimony, where HB385 only benefits the plaintiff.

Additionally, with §10-104 being limited to District Court and circuit court cases in which less than \$30,000 is in controversy, these relaxed evidentiary rules are limited to lower dollar-value cases, and do not apply to claims in excess of the minimum auto insurance personal injury liability limits of \$30,000 required under Maryland law. Under HB385, Marylanders who cannot afford to carry more than the minimum limits will be exposed to a judgment in excess of their policy limits without the fullest opportunity to defend against the claim.

Lastly, by making it easier and less costly for plaintiffs to litigate, HB385 will increase settlement demands and lessen plaintiffs' motivation to settle, which will increase the number of lawsuits filed and clog the courts. This will also increase insurance claim costs, which translates into increased auto insurance premiums that Marylanders are required to pay.

For these reasons, HB385 should be given an unfavorable report.