



Testimony of

American Property Casualty Insurance Association (APCIA)

Judiciary Committee

House Bill 385 Courts and Judicial Proceedings - Evidence - Rebuttable Presumption of Medical Bills

March 11, 2026

Unfavorable

The American Property Casualty Insurance Association (APCIA) is the primary national trade organization representing nearly 71.4 percent of the Maryland property casualty insurance market. House Bill 385 would be a significant policy shift that would have a detrimental impact on Maryland civil defendants, residents, businesses and insurers due to increased claims, litigation jury verdicts and settlements. APCIA appreciates the opportunity to provide written comments in opposition to House Bill 385.

HB 385 fundamentally alters Maryland's litigation landscape by creating a system where the amount charged, rather than the actual economic harm suffered, becomes the measure of damages - a departure from established principles of tort compensation. This creates an artificial floor for damages in personal injury cases, as medical bills would be considered presumptively fair and reasonable, regardless of their actual relationship to market rates or amounts paid and based only on the fact that

This presumption is also highly problematic because medical bills often reflect inflated, chargemaster-based pricing that is substantially divorced from and far in excess of actual market rates paid by insurers or government programs. The bill effectively treats medical; provider-generated bills as “reasonable” *before* any scrutiny. This undermines burden of proof and evidentiary rules and would encourage the frequency of highly inflated or false claims. Essentially, the legislation provides that a medical bill from a health care provider is authentic, fair, and reasonable solely based on the fact that the bill was provided in discovery.

In doing so, HB 385 improperly shifts the burden of proof on its head and onto the defendant to prove that the bills are NOT fair and reasonable by creating an unfair presumption that all submitted and “sticker price” inflated medical bills are indeed fair or reasonable even though they do not represent actual amounts paid.

This shift will lead to larger verdicts, increased settlement pressures, increase litigation costs and place upwards pressure on rates by making inflated medical bills harder to challenge. Maryland families and businesses cannot afford these tort cost additional burdens. Marylanders are already paying \$2095 per person annually and \$5430 per household due to excessive litigation.¹

Further, the bill would encourage providers to submit higher bills knowing they carry a presumption of fairness.

If passed, these bills will likely result in higher verdicts and increased litigation volume as settlements become out of reach, contributing to increase insurance premiums and affordability concerns for Maryland’s residents nonprofits and businesses.

¹ The Economic Impact of Excessive Tort Costs on US Households, The Perryman Group, April 2025

Maryland's legal system should promote balanced, evidenced-driven outcomes, not codify presumptions that elevate inflated medical charges beyond fair scrutiny.

For these reasons, APCIA urges the Committee to provide an unfavorable report on House Bill 385.

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