

HB 69 -- COLLATERAL SOURCE RULE

SPONSOR: Overcast

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Commerce by a vote of 9 to 0 with 1 present.

This bill modifies the rule for determining the admissibility of evidence of collateral source payments in civil actions. The bill prohibits any party from introducing evidence of the amount billed for medical treatment if the amount has been discounted, written-off, or satisfied by payment of an amount less than the amount billed. The actual cost of medical care or treatment rendered and discounts will be admissible evidence relevant to the potential cost of future treatment.

This bill is similar to HB 1965 (2024) and HB 273 (2023).

PROPOSERS: Supporters say that the injured person should not be allowed to introduce evidence of the total amount billed by a health care provider for medical treatment provided in a situation where payments were made by third parties such as the injured person's insurance company. The goal is to make the plaintiff's recover the actual costs incurred and not to achieve a windfall. SB 31 was passed in 2017, which allowed the parties to introduce evidence of the actual cost of the medical care or treatment, not the value of the medical care rendered. However, in *Brancatti v. Bi-State Development Agency* case decided by the Missouri Court of Appeals in 2018, the court allowed into evidence both the amount charged and the amount paid. This was due to an ambiguity in the statute. This bill clarifies the language, is intended to be fair, and remedies the fault found in the *Brancatti* case. The bill addresses the concerns of the insurance industry and hospital associations.

Testifying in person for the bill were Representative Overcast; National Federation of Independent Business; BJC Healthcare; Coxhealth; Ranken Jordan; Cox Health; Ranken Jordan Pediatric Bridge Hospital; Dana Frese, Healthcare Services Group; Associated Industries of Missouri; Missouri Chamber of Commerce and Industry; Missouri Civil Justice Reform, American Property Casualty Insurance Association, The Doctors Company, Missouri State Medical Society, Missouri Association of Osteopathic Physicians and Surgeons; National Federation of Independent Business; Associated Industries of Missouri; American Tort Reform Association; National Association of Mutual Insurance Companies; Missouri Insurance Coalition; Dana Frese, Healthcare Services Group; Missouri Association of Insurance Agents; and Missouri Chamber of Commerce and Industry.

OPPONENTS: Those who oppose the bill say that the bill proposes limits on the information that a jury can examine. If there is no health insurance coverage, the hospital pursues the full amount billed from the injured person. An injured person has no say in the amount billed. The legislation creates two classes of people, those with health care coverage and those without. Those without coverage will be presented as having more damages. The bill allows the defense to project the future value of care without much basis on costs.

Testifying in person against the bill were Arnie Dienoff; and Craig Ortwerth.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.