

COLLATERAL SOURCE BENEFIT EXCEPTION IMPROVES ACCURACY OF AWARDS

Awarding compensatory damages in civil litigation ensures plaintiffs will not incur out-of-pocket expenses, lost wages, or other costs resulting from an act of negligence. **Maryland's collateral source rule follows outdated legal concepts preventing juries from seeing the true balance of what it takes to make plaintiffs whole.** Today, the overwhelming percentage of plaintiffs' past and future medical expenses are covered by other sources, including health insurance. Instead of making the plaintiff whole, the collateral source rule results in the plaintiff receiving a "double recovery" by inflating economic damages. These excessive awards culminate in an unnecessary increase in hospitals' liability expenses and jeopardize access to reinsurance.

WHY WE NEED YOUR HELP

An independent study commissioned by the Health Services Cost Review Commission (HSCRC) on Maryland's hospital liability climate found an exception to the collateral source rule could reduce hospitals' liability costs by 7%. This reasonable reform, plus others recommended, could put Maryland on a path to improve a climate that the HSCRC report illustrates is among the worst in the nation. Over half of the states have enacted laws modifying the collateral source rule. Maryland should modernize its collateral source rule to give juries complete information.

HOW A COLLATERAL SOURCE EXCEPTION HELPS

1. Improve accuracy of awards by **allowing juries to consider collateral source benefits** for past and future medical expenses
2. Make plaintiffs whole while **avoiding double compensation**
3. Use collateral source benefits to **show actual costs of past and future medical expenses**

HOW YOU CAN HELP

Establish An Exception to the Collateral Source Rule.

