



Property Casualty Insurers
Association of America

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STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

H.B. No. 6492 – AN ACT CONCERNING THE ADMISSIBILITY OF MEDICAL BILLS IN CIVIL ACTIONS

JUDICIARY COMMITTEE

March 9, 2011

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on H.B. 6492, which would render inadmissible any evidence that a health care provider accepted or an insurer paid less than the total amount of any bill. Our comments are provided on behalf of the member companies of PCI, a national property casualty trade association with over 1,000 member companies. PCI members represent 37 percent of the total property/casualty insurance market and 39 in the nation. PCI member companies provide 41 percent of Connecticut's property/casualty insurance coverage.

PCI opposes this legislation because it would inequitably increase damages by prohibiting the consideration of evidence that an amount less than the amount billed was paid. The amount paid should be the amount utilized to determine damages because allowing paid amounts as damages reimburses the injured person for all of his or her actual medical expenses. When billed amounts exceed the amount paid, the billed amounts are "phantom damages" – in that they appear only on paper, but not in reality. In essence, including in damages excess amounts above what is actually paid for medical services amounts to a windfall. In addition, requiring billed amounts to be included as damages would also invite fraud and encourage side agreements to inflate bills for medical services.

This bill is particularly troubling because by rendering inadmissible evidence that the amount paid was less than the amount billed, this legislation would preclude even the consideration of the fact that less than the amount billed was paid. Precluding the consideration of this evidence would only result in the inequitable inflation of judgments.

For the foregoing reasons, PCI urges your Committee to not favorably advance HB 6492.