



JUDICIARY COMMITTEE

February 21, 2020

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent all towns and cities.

HB 5053 "An Act Concerning the Reduction of Economic Damages in a Personal Injury or Wrongful Death Action for Collateral Source Payments Made on Behalf of a Claimant."

CCM **supports** HB 5053 as it would allow for collateral source reduction of economic damages in cases where a right of subrogation exists.

Personal injury lawsuits are intended to provide economic (medical bills and lost wages) and non-economic (pain and suffering) compensation for wrongful acts of another party. Limiting economic damages to cases where a plaintiff has suffered an actual financial loss will allow for lower insurance premiums, prevent double damages and windfalls to plaintiffs. Subrogation does exist in other types of cases, including in the workers' compensation system, along with cases impacting Medicaid and Medicare.

This bill reveals another issue regarding subrogation from collateral sources. PA 17-165 allows self-insured municipalities place a lien on the part of certain judgments or settlements to an employee or his or her covered dependent or family member for medical, hospital, and prescription expenses incurred due to a third party's negligence or recklessness. This lien would only allow for recovery when a municipality incurs more than \$15,000 in medical, hospital, and prescription expenses. In addition, the municipality must rely on self-discovery of the recovery opportunity in order to avail themselves of a recovery opportunity.

To address this issue, CCM would recommend eliminating the threshold and/or create an automatic lien in favor of the municipality, which would eliminate the burden of the town or city of having to identify potential claims as well as ensure collections reflect accurately the true costs incurred by the municipality.

CCM urges the Committee to **favorably report HB 5053**.

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If you have any questions, please contact Mike Muszynski, Advocacy Manager of CCM at mmuszynski@ccm-ct.org or 203-500-7556.