

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3820/1	Introduction Number AB-764
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Description
 Awards to persons suffering damages as the result of medical malpractice and evidence of compensation for those damages.

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input checked="" type="checkbox"/> Indeterminate		5.Types of Local Government Units Affected
1. <input checked="" type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By CTS/ Nancy Rottier (608) 267-9733	Authorized Signature Nancy Rottier (608) 267-9733	Date 10/25/2005
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Fiscal Estimate Narratives

CTS 10/25/2005

LRB Number	05-3820/1	Introduction Number	AB-764	Estimate Type	Original
Description Awards to persons suffering damages as the result of medical malpractice and evidence of compensation for those damages.					

Assumptions Used in Arriving at Fiscal Estimate

This bill allows evidence of an injured or dead person's obligations of subrogation or reimbursement resulting from collateral source payments to be admitted in a medical malpractice action. The bill also requires the finder of fact (the jury or the judge, if it is a trial to the court) to determine the amount of collateral source payments and the amount the claimant is required to reimburse those sources. The bill also requires the judge to reduce the amount of damages awarded by the difference between the collateral source payments and the required reimbursement.

This bill may require additional pre-trial hearings and additional trial time in medical malpractice actions because of the additional evidence allowed to be admitted and the additional questions that will go before the finder of fact. Additional proceedings require additional judge, court reporter, court staff and juror time. These costs are borne by both the state and the county.

An accurate estimate of the additional costs is difficult with the data available. Medical malpractice actions are not a large part of the volume of cases – there are typically between 200 and 300 cases filed a year – but they are among the most complex and time-consuming cases. The additional information allowed into evidence by this bill and the additional requirements placed on the finder of fact and the judge will likely add to the time required for these actions.

It should be noted this bill may have an impact on other public agencies or programs because of its substantive provisions. For instance, there may be a fiscal impact if the claimant is a public employee or if the collateral source is a public program such as Medical Assistance. The only impact on the circuit courts, however, would be as noted above.

Assembly Substitute Amendment 1 has been introduced and was recommended by the Committee on Insurance on October 20, 2005. The substitute amendment removes those cases involving death of the claimant from the bill's provisions. Only a small number of cases would be affected by this change. Therefore, the impact on the circuit courts would be similar under both the original bill and the substitute amendment.

Long-Range Fiscal Implications