



California Supreme Court Limits Plaintiff's Economic Damages

Yesterday, the California Supreme Court issued its precedent-setting ruling in Howell v. Hamilton Meats & Provisions (Case No. S179115). The Court limited plaintiff's recovery for past medical expenses to the amount actually paid by plaintiff or his/her insurer, instead of the higher phantom amount that may have been originally billed by the medical provider.

The Howell case arose from an automobile accident. The defendant, Hamilton Meats & Provisions, conceded liability and contested the amount of plaintiff's economic and noneconomic damages only.

During trial, plaintiff presented evidence reflecting *billed* medical expenses of approximately \$190,000. The jury originally awarded plaintiff that full amount. Defendant then attempted to eliminate the phantom medical costs and reduce plaintiff's recovery to the actual amount paid (about \$60,000). The trial court agreed with defendant and reduced the judgment accordingly. The case was ultimately appealed to the California Supreme Court.

Plaintiff attempted to convince the California Supreme Court that limiting past medical expenses to the actual amount paid violated the collateral source rule. Rejecting that argument, the Court found the collateral source rule "has no bearing on amounts that were included in a provider's bill but for which the plaintiff never incurred liability because the provider, by prior agreement, accepted a lesser amount as full payment. Such sums are not damages the plaintiff would otherwise have collected from the defendant."

The Court ruled that the reduction in medical expenses "is relevant to prove the plaintiff's damages for past medical expenses and, assuming it satisfies other rules of evidence, is admissible at trial." The Court also held that evidence of the higher billed amount was irrelevant "on the issue of past medical expenses," although the court expressed "no opinion as to its relevance or admissibility on other issues, such as noneconomic damages or future medical expenses."

In conclusion, the Court found that "an injured plaintiff whose medical expenses are paid through private insurance may recover as economic damages no more than the amounts paid by the plaintiff or his or her insurer for the medical services received or still owing at the time of trial."

Please contact any of the attorneys at Farhang & Medcoff, PLLC at 520.790.5433 or 480.686.8711 if you have any questions regarding this breaking legal news report.