



MHA
Michigan Health &
Hospital Association

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TO: Senator Mike Shirkey, Chairman
Senate Michigan Competitiveness Committee Members

FROM: Chris Mitchell
Senior Vice President, Advocacy

DATE: October 19, 2016

SUBJECT: Senate Bill 1104: Medical Liability

MHA Position: SUPPORT

The Michigan Health and Hospital Association (MHA) supports Senate Bill 1104, sponsored by Senator Mike Shirkey (R-Clarklake), which would clarify that in an act alleging medical malpractice, the proper measure of past economic damages for medical or healthcare expenses is limited to the amount actually paid by or on behalf of the claimant.

Greer v. Advantage Health concerns the birth of Makenzie Greer. Several claims of negligence were filed against all defendants attending to mother Elizabeth Greer during the delivery of Makenzie, which resulted in injury to both Elizabeth and Makenzie. The Court was asked to determine whether Makenzie is entitled to recover the full amount of her invoiced medical expenses, even though Makenzie's healthcare insurers paid Makenzie's healthcare providers a lesser amount than the amount billed due to negotiated rates.

On July 8, 2016, the Michigan Supreme Court upheld a Michigan Court of Appeals ruling that the proper measure of past economic damages in a medical malpractice action included the amount of medical bills invoiced not the actual amount paid by plaintiff's health insurer in settlement of those bills. This determination resulted in a considerable windfall to the plaintiff. The Supreme Court's Order denying leave in the case includes a detailed concurring opinion by Justice Brian Zahra discussing the illogical result and the need for a legislative correction. **The MHA strongly agrees with the need Justice Zahra outlined suggesting that the legislature take action, therefore we urge you to support Senate Bill 1104**

Please contact Chris Mitchell (cmitchell@mha.org) at (517) 703-8622 at the MHA if you have further questions on this issue.