

Tort Reformers and Trial Lawyers Agree on Bill That Helps the Injured

Austin, TX -A bill that changes the way health care plans are reimbursed following liability lawsuits and puts more money into the pocket of injured parties was signed into law by Governor Rick Perry.

The measure makes it easier to settle meritorious cases, thus saving plaintiff and defense time and money.

“We greatly appreciate the Governor seeing the sensibility of this measure and signing it into law,” said Mike Hull, the general counsel for Texas Alliance For Patient Access, a statewide medical lawsuit reform group that supported the bill.

Under previous law, a person could get injured, sue for damages, receive a settlement and then be required to pay the entire settlement to their health insurer as reimbursement for medical expenses.

“There was no incentive for an injured person to settle for a reasonable sum, if they received no money,” Hull said. “Defendants often had to pay an inflated price to settle or risk going to trial because they couldn’t reach an agreement,” he said.

Among those who advocated for the bill was Dustin Strelsky, a 15-year old from the small central Texas town of Rockdale, who was left paralyzed after being hit by a drunk driver. Strelsky’s family agreed to release the driver in exchange for his insurance policy but they couldn’t reach an agreement with Strelsky’s own health insurer. Strelsky’s family asked the health plan to let him keep some of the settlement money. The health plan refused and sued Strelsky’s parents, claiming they were entitled to 100% of the settlement and that the wheel-chair bound teenager should receive nothing. The case settled only after the Texas House considered the bill in committee.

The new law “supports access to care by producing a fair process to resolve claims,” said Hull. “Anyone recovering damages must now pay their fair share of the costs to recover those damages.” More money is now available to the injured party without inflating damages or increasing the plaintiff lawyer’s fees.

The bill as originally filed was supported by tort reform groups, trial lawyers and numerous business groups but opposed by some insurance carriers. Rep. Four Price, the House bill author, and Senator Robert Duncan, the sponsor of the bill in the Senate, helped negotiate an agreed bill that ultimately received the support of the interested parties and received near-unanimous bi-partisan support in the House and Senate.

“We all agreed the new law is fair, needed and is the right thing to do,” Hull said.



Governor
Rick Perry



TAPA General Counsel
Mike Hull



Representative
Four Price



Senator
Robert Duncan