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April 25th, 2019

North Carolina House of Representatives
16 West Jones St.
Raleigh, NC 27601

Dear Members of the North Carolina House,

In 2011, the important efforts of the North Carolina General Assembly to advance tort reform made key strides in balancing North Carolina's judicial system. The cornerstone of those reforms was the passage of Rule 414. As such the NC Chamber and the below organizations are strongly opposed to Section 1 of House Bill 611, which proposes to repeal Rule 414 of the North Carolina Rules of Civil Procedure. This repeal does not promote transparency or the ends of justice, thereby undercutting previous reforms.

In 2011, the North Carolina General Assembly enacted Rule 414 of the North Carolina Rules of Evidence (a copy of the rule is attached). Rule 414 limits evidence offered to prove past medical expenses to evidence of the amounts actually paid and necessary to be paid to discharge the medical debt. Rule 414 ensures that the court and jury are provided only the actual and necessary costs of the medical care provided, i.e., what needs to be recovered to make the plaintiff whole.

Prior to the enactment of Rule 414, parties were permitted to present evidence of medical expenses in the form of "charges" for medical care provided. The amount actually accepted or necessary to satisfy bills was hidden from the jury. In practice, this meant that juries were presented phantom damages and misled to believe that whatever amount was "charged" for medical services was the amount a plaintiff had paid or would be required to pay for medical care. This falsely inflated a plaintiff's damages. Rule 414 corrected this inequity and eliminated a significant flaw in our civil justice system by ensuring juries are provided the truth about the actual costs of medical care.

Our court system must elevate the truth over phantom damages. The rules of court must ensure that we succeed in the search for the truth and justice. The passage of Rule 414 improved our system of civil justice, but its repeal will mean a return to the days of hiding the truth.

On behalf of the NC Chamber and our allies who join us in this letter, we request that you remove Section 1 of HB 611.

Respectfully,



Gary J. Salamido
Chief Operating Officer and Acting President
NC Chamber

Capital Associated Industries

Employers Coalition of North Carolina

North Carolina Automobile Dealers Association

North Carolina Farm Bureau Federation

North Carolina Health Care Association

North Carolina Home Builders Association

North Carolina Medical Society

North Carolina Retail Merchants Association

North Carolina Restaurant and Lodging Association

North Carolina Chapter of the American College of Cardiology

North Carolina Academy of Physician Assistants

North Carolina Academy of Family Physicians

North Carolina Society of Anesthesiologists

North Carolina College of Emergency Physicians

North Carolina Dermatology Association

North Carolina Neurological Society

North Carolina Obstetrical and Gynecological Society

North Carolina Orthopaedic Association

North Carolina Society of Eye Physicians and Surgeons



North Carolina Society of Otolaryngology and Head & Neck Surgery

North Carolina Society of Pathologists

North Carolina Spine Society

