

112TH CONGRESS  
1ST SESSION

# S. 197

To improve patient access to health care services and provide improved medical care by reducing the excessive burden the liability system places on the health care delivery system.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 26, 2011

Mr. ENSIGN (for himself, Mr. INHOFE, Mr. VITTER, Mr. BURR, Mr. CORNYN, and Mr. ALEXANDER) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To improve patient access to health care services and provide improved medical care by reducing the excessive burden the liability system places on the health care delivery system.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medical Care Access  
5 Protection Act of 2011” or the “MCAP Act”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—

1           (1) EFFECT ON HEALTH CARE ACCESS AND  
2 COSTS.—Congress finds that our current civil justice  
3 system is adversely affecting patient access to health  
4 care services, better patient care, and cost-efficient  
5 health care, in that the health care liability system  
6 is a costly and ineffective mechanism for resolving  
7 claims of health care liability and compensating in-  
8 jured patients, and is a deterrent to the sharing of  
9 information among health care professionals which  
10 impedes efforts to improve patient safety and quality  
11 of care.

12           (2) EFFECT ON INTERSTATE COMMERCE.—  
13 Congress finds that the health care and insurance  
14 industries are industries affecting interstate com-  
15 merce and the health care liability litigation systems  
16 existing throughout the United States are activities  
17 that affect interstate commerce by contributing to  
18 the high costs of health care and premiums for  
19 health care liability insurance purchased by health  
20 care system providers.

21           (3) EFFECT ON FEDERAL SPENDING.—Con-  
22 gress finds that the health care liability litigation  
23 systems existing throughout the United States have  
24 a significant effect on the amount, distribution, and  
25 use of Federal funds because of—

1 (A) the large number of individuals who  
2 receive health care benefits under programs op-  
3 erated or financed by the Federal Government;

4 (B) the large number of individuals who  
5 benefit because of the exclusion from Federal  
6 taxes of the amounts spent to provide them  
7 with health insurance benefits; and

8 (C) the large number of health care pro-  
9 viders who provide items or services for which  
10 the Federal Government makes payments.

11 (b) PURPOSE.—It is the purpose of this Act to imple-  
12 ment reasonable, comprehensive, and effective health care  
13 liability reforms designed to—

14 (1) improve the availability of health care serv-  
15 ices in cases in which health care liability actions  
16 have been shown to be a factor in the decreased  
17 availability of services;

18 (2) reduce the incidence of “defensive medi-  
19 cine” and lower the cost of health care liability in-  
20 surance, all of which contribute to the escalation of  
21 health care costs;

22 (3) ensure that persons with meritorious health  
23 care injury claims receive fair and adequate com-  
24 pensation, including reasonable noneconomic dam-  
25 ages;

1           (4) improve the fairness and cost-effectiveness  
2 of our current health care liability system to resolve  
3 disputes over, and provide compensation for, health  
4 care liability by reducing uncertainty in the amount  
5 of compensation provided to injured individuals; and

6           (5) provide an increased sharing of information  
7 in the health care system which will reduce unin-  
8 tended injury and improve patient care.

9 **SEC. 3. DEFINITIONS.**

10 In this Act:

11           (1) ALTERNATIVE DISPUTE RESOLUTION SYS-  
12 TEM; ADR.—The term “alternative dispute resolution  
13 system” or “ADR” means a system that provides  
14 for the resolution of health care lawsuits in a man-  
15 ner other than through a civil action brought in a  
16 State or Federal court.

17           (2) CLAIMANT.—The term “claimant” means  
18 any person who brings a health care lawsuit, includ-  
19 ing a person who asserts or claims a right to legal  
20 or equitable contribution, indemnity or subrogation,  
21 arising out of a health care liability claim or action,  
22 and any person on whose behalf such a claim is as-  
23 serted or such an action is brought, whether de-  
24 ceased, incompetent, or a minor.

1           (3) COLLATERAL SOURCE BENEFITS.—The  
2 term “collateral source benefits” means any amount  
3 paid or reasonably likely to be paid in the future to  
4 or on behalf of the claimant, or any service, product  
5 or other benefit provided or reasonably likely to be  
6 provided in the future to or on behalf of the claim-  
7 ant, as a result of the injury or wrongful death, pur-  
8 suant to—

9           (A) any State or Federal health, sickness,  
10 income-disability, accident, or workers’ com-  
11 pensation law;

12           (B) any health, sickness, income-disability,  
13 or accident insurance that provides health bene-  
14 fits or income-disability coverage;

15           (C) any contract or agreement of any  
16 group, organization, partnership, or corporation  
17 to provide, pay for, or reimburse the cost of  
18 medical, hospital, dental, or income disability  
19 benefits; and

20           (D) any other publicly or privately funded  
21 program.

22           (4) COMPENSATORY DAMAGES.—The term  
23 “compensatory damages” means objectively  
24 verifiable monetary losses incurred as a result of the  
25 provision of, use of, or payment for (or failure to

1 provide, use, or pay for) health care services or med-  
2 ical products, such as past and future medical ex-  
3 penses, loss of past and future earnings, cost of ob-  
4 taining domestic services, loss of employment, and  
5 loss of business or employment opportunities, dam-  
6 ages for physical and emotional pain, suffering, in-  
7 convenience, physical impairment, mental anguish,  
8 disfigurement, loss of enjoyment of life, loss of soci-  
9 ety and companionship, loss of consortium (other  
10 than loss of domestic service), hedonic damages, in-  
11 jury to reputation, and all other nonpecuniary losses  
12 of any kind or nature. Such term includes economic  
13 damages and noneconomic damages, as such terms  
14 are defined in this section.

15 (5) CONTINGENT FEE.—The term “contingent  
16 fee” includes all compensation to any person or per-  
17 sons which is payable only if a recovery is effected  
18 on behalf of one or more claimants.

19 (6) ECONOMIC DAMAGES.—The term “economic  
20 damages” means objectively verifiable monetary  
21 losses incurred as a result of the provision of, use  
22 of, or payment for (or failure to provide, use, or pay  
23 for) health care services or medical products, such as  
24 past and future medical expenses, loss of past and  
25 future earnings, cost of obtaining domestic services,

1 loss of employment, and loss of business or employ-  
2 ment opportunities.

3 (7) HEALTH CARE GOODS OR SERVICES.—The  
4 term “health care goods or services” means any  
5 goods or services provided by a health care institu-  
6 tion, provider, or by any individual working under  
7 the supervision of a health care provider, that relates  
8 to the diagnosis, prevention, care, or treatment of  
9 any human disease or impairment, or the assessment  
10 of the health of human beings.

11 (8) HEALTH CARE INSTITUTION.—The term  
12 “health care institution” means any entity licensed  
13 under Federal or State law to provide health care  
14 services (including but not limited to ambulatory  
15 surgical centers, assisted living facilities, emergency  
16 medical services providers, hospices, hospitals and  
17 hospital systems, nursing homes, or other entities li-  
18 censed to provide such services).

19 (9) HEALTH CARE LAWSUIT.—The term  
20 “health care lawsuit” means any health care liability  
21 claim concerning the provision of health care goods  
22 or services affecting interstate commerce, or any  
23 health care liability action concerning the provision  
24 of (or the failure to provide) health care goods or  
25 services affecting interstate commerce, brought in a

1 State or Federal court or pursuant to an alternative  
2 dispute resolution system, against a health care pro-  
3 vider or a health care institution regardless of the  
4 theory of liability on which the claim is based, or the  
5 number of claimants, plaintiffs, defendants, or other  
6 parties, or the number of claims or causes of action,  
7 in which the claimant alleges a health care liability  
8 claim.

9 (10) HEALTH CARE LIABILITY ACTION.—The  
10 term “health care liability action” means a civil ac-  
11 tion brought in a State or Federal Court or pursu-  
12 ant to an alternative dispute resolution system,  
13 against a health care provider or a health care insti-  
14 tution regardless of the theory of liability on which  
15 the claim is based, or the number of plaintiffs, de-  
16 fendants, or other parties, or the number of causes  
17 of action, in which the claimant alleges a health care  
18 liability claim.

19 (11) HEALTH CARE LIABILITY CLAIM.—The  
20 term “health care liability claim” means a demand  
21 by any person, whether or not pursuant to ADR,  
22 against a health care provider or health care institu-  
23 tion, including third-party claims, cross-claims,  
24 counter-claims, or contribution claims, which are  
25 based upon the provision of, use of, or payment for

1 (or the failure to provide, use, or pay for) health  
2 care services, regardless of the theory of liability on  
3 which the claim is based, or the number of plaintiffs,  
4 defendants, or other parties, or the number of  
5 causes of action.

6 (12) HEALTH CARE PROVIDER.—

7 (A) IN GENERAL.—The term “health care  
8 provider” means any person (including but not  
9 limited to a physician (as defined by section  
10 1861(r) of the Social Security Act (42 U.S.C.  
11 1395x(r)), registered nurse, dentist, podiatrist,  
12 pharmacist, chiropractor, or optometrist) re-  
13 quired by State or Federal law to be licensed,  
14 registered, or certified to provide health care  
15 services, and being either so licensed, reg-  
16 istered, or certified, or exempted from such re-  
17 quirement by other statute or regulation.

18 (B) TREATMENT OF CERTAIN PROFES-  
19 SIONAL ASSOCIATIONS.—For purposes of this  
20 Act, a professional association that is organized  
21 under State law by an individual physician or  
22 group of physicians, a partnership or limited li-  
23 ability partnership formed by a group of physi-  
24 cians, a nonprofit health corporation certified  
25 under State law, or a company formed by a

1 group of physicians under State law shall be  
2 treated as a health care provider under sub-  
3 paragraph (A).

4 (13) MALICIOUS INTENT TO INJURE.—The  
5 term “malicious intent to injure” means inten-  
6 tionally causing or attempting to cause physical in-  
7 jury other than providing health care goods or serv-  
8 ices.

9 (14) NONECONOMIC DAMAGES.—The term  
10 “noneconomic damages” means damages for phys-  
11 ical and emotional pain, suffering, inconvenience,  
12 physical impairment, mental anguish, disfigurement,  
13 loss of enjoyment of life, loss of society and compan-  
14 ionship, loss of consortium (other than loss of do-  
15 mestic service), hedonic damages, injury to reputa-  
16 tion, and all other nonpecuniary losses of any kind  
17 or nature.

18 (15) PUNITIVE DAMAGES.—The term “punitive  
19 damages” means damages awarded, for the purpose  
20 of punishment or deterrence, and not solely for com-  
21 pensatory purposes, against a health care provider  
22 or health care institution. Punitive damages are nei-  
23 ther economic nor noneconomic damages.

24 (16) RECOVERY.—The term “recovery” means  
25 the net sum recovered after deducting any disburse-

1       ments or costs incurred in connection with prosecu-  
2       tion or settlement of the claim, including all costs  
3       paid or advanced by any person. Costs of health care  
4       incurred by the plaintiff and the attorneys' office  
5       overhead costs or charges for legal services are not  
6       deductible disbursements or costs for such purpose.

7           (17) STATE.—The term “State” means each of  
8       the several States, the District of Columbia, the  
9       Commonwealth of Puerto Rico, the Virgin Islands,  
10      Guam, American Samoa, the Northern Mariana Is-  
11      lands, the Trust Territory of the Pacific Islands, and  
12      any other territory or possession of the United  
13      States, or any political subdivision thereof.

14   **SEC. 4. ENCOURAGING SPEEDY RESOLUTION OF CLAIMS.**

15      (a) IN GENERAL.—Except as otherwise provided for  
16      in this section, the time for the commencement of a health  
17      care lawsuit shall be 3 years after the date of manifesta-  
18      tion of injury or 1 year after the claimant discovers, or  
19      through the use of reasonable diligence should have discov-  
20      ered, the injury, whichever occurs first.

21      (b) GENERAL EXCEPTION.—The time for the com-  
22      mencement of a health care lawsuit shall not exceed 3  
23      years after the date of manifestation of injury unless the  
24      tolling of time was delayed as a result of—

25           (1) fraud;

1           (2) intentional concealment; or

2           (3) the presence of a foreign body, which has no  
3       therapeutic or diagnostic purpose or effect, in the  
4       person of the injured person.

5       (c) MINORS.—An action by a minor shall be com-  
6       menced within 3 years from the date of the alleged mani-  
7       festation of injury except that if such minor is under the  
8       full age of 6 years, such action shall be commenced within  
9       3 years of the manifestation of injury, or prior to the  
10      eighth birthday of the minor, whichever provides a longer  
11      period. Such time limitation shall be tolled for minors for  
12      any period during which a parent or guardian and a health  
13      care provider or health care institution have committed  
14      fraud or collusion in the failure to bring an action on be-  
15      half of the injured minor.

16      (d) RULE 11 SANCTIONS.—Whenever a Federal or  
17      State court determines (whether by motion of the parties  
18      or whether on the motion of the court) that there has been  
19      a violation of Rule 11 of the Federal Rules of Civil Proce-  
20      dure (or a similar violation of applicable State court rules)  
21      in a health care liability action to which this Act applies,  
22      the court shall impose upon the attorneys, law firms, or  
23      pro se litigants that have violated Rule 11 or are respon-  
24      sible for the violation, an appropriate sanction, which shall  
25      include an order to pay the other party or parties for the

1 reasonable expenses incurred as a direct result of the filing  
2 of the pleading, motion, or other paper that is the subject  
3 of the violation, including a reasonable attorneys' fee.  
4 Such sanction shall be sufficient to deter repetition of such  
5 conduct or comparable conduct by others similarly situ-  
6 ated, and to compensate the party or parties injured by  
7 such conduct.

8 **SEC. 5. COMPENSATING PATIENT INJURY.**

9 (a) UNLIMITED AMOUNT OF DAMAGES FOR ACTUAL  
10 ECONOMIC LOSSES IN HEALTH CARE LAWSUITS.—In any  
11 health care lawsuit, nothing in this Act shall limit the re-  
12 covery by a claimant of the full amount of the available  
13 economic damages, notwithstanding the limitation con-  
14 tained in subsection (b).

15 (b) ADDITIONAL NONECONOMIC DAMAGES.—

16 (1) HEALTH CARE PROVIDERS.—In any health  
17 care lawsuit where final judgment is rendered  
18 against a health care provider, the amount of non-  
19 economic damages recovered from the provider, if  
20 otherwise available under applicable Federal or State  
21 law, may be as much as \$250,000, regardless of the  
22 number of parties other than a health care institu-  
23 tion against whom the action is brought or the num-  
24 ber of separate claims or actions brought with re-  
25 spect to the same occurrence.

1 (2) HEALTH CARE INSTITUTIONS.—

2 (A) SINGLE INSTITUTION.—In any health  
3 care lawsuit where final judgment is rendered  
4 against a single health care institution, the  
5 amount of noneconomic damages recovered  
6 from the institution, if otherwise available  
7 under applicable Federal or State law, may be  
8 as much as \$250,000, regardless of the number  
9 of parties against whom the action is brought  
10 or the number of separate claims or actions  
11 brought with respect to the same occurrence.

12 (B) MULTIPLE INSTITUTIONS.—In any  
13 health care lawsuit where final judgment is ren-  
14 dered against more than one health care insti-  
15 tution, the amount of noneconomic damages re-  
16 covered from each institution, if otherwise avail-  
17 able under applicable Federal or State law, may  
18 be as much as \$250,000, regardless of the  
19 number of parties against whom the action is  
20 brought or the number of separate claims or ac-  
21 tions brought with respect to the same occur-  
22 rence, except that the total amount recovered  
23 from all such institutions in such lawsuit shall  
24 not exceed \$500,000.

1 (c) NO DISCOUNT OF AWARD FOR NONECONOMIC  
2 DAMAGES.—In any health care lawsuit—

3 (1) an award for future noneconomic damages  
4 shall not be discounted to present value;

5 (2) the jury shall not be informed about the  
6 maximum award for noneconomic damages under  
7 subsection (b);

8 (3) an award for noneconomic damages in ex-  
9 cess of the limitations provided for in subsection (b)  
10 shall be reduced either before the entry of judgment,  
11 or by amendment of the judgment after entry of  
12 judgment, and such reduction shall be made before  
13 accounting for any other reduction in damages re-  
14 quired by law; and

15 (4) if separate awards are rendered for past  
16 and future noneconomic damages and the combined  
17 awards exceed the limitations described in subsection  
18 (b), the future noneconomic damages shall be re-  
19 duced first.

20 (d) FAIR SHARE RULE.—In any health care lawsuit,  
21 each party shall be liable for that party's several share  
22 of any damages only and not for the share of any other  
23 person. Each party shall be liable only for the amount of  
24 damages allocated to such party in direct proportion to  
25 such party's percentage of responsibility. A separate judg-

1 ment shall be rendered against each such party for the  
2 amount allocated to such party. For purposes of this sec-  
3 tion, the trier of fact shall determine the proportion of  
4 responsibility of each party for the claimant's harm.

5 **SEC. 6. MAXIMIZING PATIENT RECOVERY.**

6 (a) COURT SUPERVISION OF SHARE OF DAMAGES  
7 ACTUALLY PAID TO CLAIMANTS.—

8 (1) IN GENERAL.—In any health care lawsuit,  
9 the court shall supervise the arrangements for pay-  
10 ment of damages to protect against conflicts of in-  
11 terest that may have the effect of reducing the  
12 amount of damages awarded that are actually paid  
13 to claimants.

14 (2) CONTINGENCY FEES.—

15 (A) IN GENERAL.—In any health care law-  
16 suit in which the attorney for a party claims a  
17 financial stake in the outcome by virtue of a  
18 contingent fee, the court shall have the power  
19 to restrict the payment of a claimant's damage  
20 recovery to such attorney, and to redirect such  
21 damages to the claimant based upon the inter-  
22 ests of justice and principles of equity.

23 (B) LIMITATION.—The total of all contin-  
24 gent fees for representing all claimants in a

1 health care lawsuit shall not exceed the fol-  
2 lowing limits:

3 (i) Forty percent of the first \$50,000  
4 recovered by the claimant(s).

5 (ii) Thirty-three and one-third percent  
6 of the next \$50,000 recovered by the  
7 claimant(s).

8 (iii) Twenty-five percent of the next  
9 \$500,000 recovered by the claimant(s).

10 (iv) Fifteen percent of any amount by  
11 which the recovery by the claimant(s) is in  
12 excess of \$600,000.

13 (b) APPLICABILITY.—

14 (1) IN GENERAL.—The limitations in subsection  
15 (a) shall apply whether the recovery is by judgment,  
16 settlement, mediation, arbitration, or any other form  
17 of alternative dispute resolution.

18 (2) MINORS.—In a health care lawsuit involving  
19 a minor or incompetent person, a court retains the  
20 authority to authorize or approve a fee that is less  
21 than the maximum permitted under this section.

22 (c) EXPERT WITNESSES.—

23 (1) REQUIREMENT.—No individual shall be  
24 qualified to testify as an expert witness concerning

1 issues of negligence in any health care lawsuit  
2 against a defendant unless such individual—

3 (A) except as required under paragraph  
4 (2), is a health care professional who—

5 (i) is appropriately credentialed or li-  
6 censed in 1 or more States to deliver  
7 health care services; and

8 (ii) typically treats the diagnosis or  
9 condition or provides the type of treatment  
10 under review; and

11 (B) can demonstrate by competent evi-  
12 dence that, as a result of training, education,  
13 knowledge, and experience in the evaluation, di-  
14 agnosis, and treatment of the disease or injury  
15 which is the subject matter of the lawsuit  
16 against the defendant, the individual was sub-  
17 stantially familiar with applicable standards of  
18 care and practice as they relate to the act or  
19 omission which is the subject of the lawsuit on  
20 the date of the incident.

21 (2) PHYSICIAN REVIEW.—In a health care law-  
22 suit, if the claim of the plaintiff involved treatment  
23 that is recommended or provided by a physician  
24 (allopathic or osteopathic), an individual shall not be  
25 qualified to be an expert witness under this sub-

1 section with respect to issues of negligence con-  
2 cerning such treatment unless such individual is a  
3 physician.

4 (3) SPECIALTIES AND SUBSPECIALTIES.—With  
5 respect to a lawsuit described in paragraph (1), a  
6 court shall not permit an expert in one medical spe-  
7 cialty or subspecialty to testify against a defendant  
8 in another medical specialty or subspecialty unless,  
9 in addition to a showing of substantial familiarity in  
10 accordance with paragraph (1)(B), there is a show-  
11 ing that the standards of care and practice in the  
12 two specialty or subspecialty fields are similar.

13 (4) LIMITATION.—The limitations in this sub-  
14 section shall not apply to expert witnesses testifying  
15 as to the degree or permanency of medical or phys-  
16 ical impairment.

17 **SEC. 7. ADDITIONAL HEALTH BENEFITS.**

18 (a) IN GENERAL.—The amount of any damages re-  
19 ceived by a claimant in any health care lawsuit shall be  
20 reduced by the court by the amount of any collateral  
21 source benefits to which the claimant is entitled, less any  
22 insurance premiums or other payments made by the claim-  
23 ant (or by the spouse, parent, child, or legal guardian of  
24 the claimant) to obtain or secure such benefits.

1 (b) PRESERVATION OF CURRENT LAW.—Where a  
2 payor of collateral source benefits has a right of recovery  
3 by reimbursement or subrogation and such right is per-  
4 mitted under Federal or State law, subsection (a) shall  
5 not apply.

6 (c) APPLICATION OF PROVISION.—This section shall  
7 apply to any health care lawsuit that is settled or resolved  
8 by a fact finder.

9 **SEC. 8. PUNITIVE DAMAGES.**

10 (a) PUNITIVE DAMAGES PERMITTED.—

11 (1) IN GENERAL.—Punitive damages may, if  
12 otherwise available under applicable State or Federal  
13 law, be awarded against any person in a health care  
14 lawsuit only if it is proven by clear and convincing  
15 evidence that such person acted with malicious in-  
16 tent to injure the claimant, or that such person de-  
17 liberately failed to avoid unnecessary injury that  
18 such person knew the claimant was substantially  
19 certain to suffer.

20 (2) FILING OF LAWSUIT.—No demand for puni-  
21 tive damages shall be included in a health care law-  
22 suit as initially filed. A court may allow a claimant  
23 to file an amended pleading for punitive damages  
24 only upon a motion by the claimant and after a find-  
25 ing by the court, upon review of supporting and op-

1 posing affidavits or after a hearing, after weighing  
2 the evidence, that the claimant has established by a  
3 substantial probability that the claimant will prevail  
4 on the claim for punitive damages.

5 (3) SEPARATE PROCEEDING.—At the request of  
6 any party in a health care lawsuit, the trier of fact  
7 shall consider in a separate proceeding—

8 (A) whether punitive damages are to be  
9 awarded and the amount of such award; and

10 (B) the amount of punitive damages fol-  
11 lowing a determination of punitive liability.

12 If a separate proceeding is requested, evidence rel-  
13 evant only to the claim for punitive damages, as de-  
14 termined by applicable State law, shall be inadmis-  
15 sible in any proceeding to determine whether com-  
16 pensatory damages are to be awarded.

17 (4) LIMITATION WHERE NO COMPENSATORY  
18 DAMAGES ARE AWARDED.—In any health care law-  
19 suit where no judgment for compensatory damages  
20 is rendered against a person, no punitive damages  
21 may be awarded with respect to the claim in such  
22 lawsuit against such person.

23 (b) DETERMINING AMOUNT OF PUNITIVE DAM-  
24 AGES.—

1           (1) FACTORS CONSIDERED.—In determining  
2 the amount of punitive damages under this section,  
3 the trier of fact shall consider only the following:

4           (A) the severity of the harm caused by the  
5 conduct of such party;

6           (B) the duration of the conduct or any  
7 concealment of it by such party;

8           (C) the profitability of the conduct to such  
9 party;

10           (D) the number of products sold or med-  
11 ical procedures rendered for compensation, as  
12 the case may be, by such party, of the kind  
13 causing the harm complained of by the claim-  
14 ant;

15           (E) any criminal penalties imposed on such  
16 party, as a result of the conduct complained of  
17 by the claimant; and

18           (F) the amount of any civil fines assessed  
19 against such party as a result of the conduct  
20 complained of by the claimant.

21           (2) MAXIMUM AWARD.—The amount of punitive  
22 damages awarded in a health care lawsuit may not  
23 exceed an amount equal to two times the amount of  
24 economic damages awarded in the lawsuit or  
25 \$250,000, whichever is greater. The jury shall not

1 be informed of the limitation under the preceding  
2 sentence.

3 (c) LIABILITY OF HEALTH CARE PROVIDERS.—

4 (1) IN GENERAL.—A health care provider who  
5 prescribes, or who dispenses pursuant to a prescrip-  
6 tion, a drug, biological product, or medical device  
7 approved by the Food and Drug Administration, for  
8 an approved indication of the drug, biological prod-  
9 uct, or medical device, shall not be named as a party  
10 to a product liability lawsuit invoking such drug, bi-  
11 ological product, or medical device and shall not be  
12 liable to a claimant in a class action lawsuit against  
13 the manufacturer, distributor, or product seller of  
14 such drug, biological product, or medical device.

15 (2) MEDICAL PRODUCT.—The term “medical  
16 product” means a drug or device intended for hu-  
17 mans. The terms “drug” and “device” have the  
18 meanings given such terms in sections 201(g)(1) and  
19 201(h) of the Federal Food, Drug and Cosmetic Act  
20 (21 U.S.C. 321), respectively, including any compo-  
21 nent or raw material used therein, but excluding  
22 health care services.

1 **SEC. 9. AUTHORIZATION OF PAYMENT OF FUTURE DAM-**  
2 **AGES TO CLAIMANTS IN HEALTH CARE LAW-**  
3 **SUITS.**

4 (a) **IN GENERAL.**—In any health care lawsuit, if an  
5 award of future damages, without reduction to present  
6 value, equaling or exceeding \$50,000 is made against a  
7 party with sufficient insurance or other assets to fund a  
8 periodic payment of such a judgment, the court shall, at  
9 the request of any party, enter a judgment ordering that  
10 the future damages be paid by periodic payments in ac-  
11 cordance with the Uniform Periodic Payment of Judg-  
12 ments Act promulgated by the National Conference of  
13 Commissioners on Uniform State Laws.

14 (b) **APPLICABILITY.**—This section applies to all ac-  
15 tions which have not been first set for trial or retrial be-  
16 fore the effective date of this Act.

17 **SEC. 10. EFFECT ON OTHER LAWS.**

18 (a) **GENERAL VACCINE INJURY.**—

19 (1) **IN GENERAL.**—To the extent that title XXI  
20 of the Public Health Service Act establishes a Fed-  
21 eral rule of law applicable to a civil action brought  
22 for a vaccine-related injury or death—

23 (A) this Act shall not affect the application  
24 of the rule of law to such an action; and

1 (B) any rule of law prescribed by this Act  
2 in conflict with a rule of law of such title XXI  
3 shall not apply to such action.

4 (2) EXCEPTION.—If there is an aspect of a civil  
5 action brought for a vaccine-related injury or death  
6 to which a Federal rule of law under title XXI of  
7 the Public Health Service Act does not apply, then  
8 this Act or otherwise applicable law (as determined  
9 under this Act) will apply to such aspect of such ac-  
10 tion.

11 (b) SMALLPOX VACCINE INJURY.—

12 (1) IN GENERAL.—To the extent that part C of  
13 title II of the Public Health Service Act establishes  
14 a Federal rule of law applicable to a civil action  
15 brought for a smallpox vaccine-related injury or  
16 death—

17 (A) this Act shall not affect the application  
18 of the rule of law to such an action; and

19 (B) any rule of law prescribed by this Act  
20 in conflict with a rule of law of such part C  
21 shall not apply to such action.

22 (2) EXCEPTION.—If there is an aspect of a civil  
23 action brought for a smallpox vaccine-related injury  
24 or death to which a Federal rule of law under part  
25 C of title II of the Public Health Service Act does

1 not apply, then this Act or otherwise applicable law  
2 (as determined under this Act) will apply to such as-  
3 pect of such action.

4 (c) OTHER FEDERAL LAW.—Except as provided in  
5 this section, nothing in this Act shall be deemed to affect  
6 any defense available, or any limitation on liability that  
7 applies to, a defendant in a health care lawsuit or action  
8 under any other provision of Federal law.

9 **SEC. 11. STATE FLEXIBILITY AND PROTECTION OF STATES'**  
10 **RIGHTS.**

11 (a) HEALTH CARE LAWSUITS.—The provisions gov-  
12 erning health care lawsuits set forth in this Act shall pre-  
13 empt, subject to subsections (b) and (c), State law to the  
14 extent that State law prevents the application of any pro-  
15 visions of law established by or under this Act. The provi-  
16 sions governing health care lawsuits set forth in this Act  
17 supersede chapter 171 of title 28, United States Code, to  
18 the extent that such chapter—

19 (1) provides for a greater amount of damages  
20 or contingent fees, a longer period in which a health  
21 care lawsuit may be commenced, or a reduced appli-  
22 cability or scope of periodic payment of future dam-  
23 ages, than provided in this Act; or

24 (2) prohibits the introduction of evidence re-  
25 garding collateral source benefits.

1           (b) PREEMPTION OF CERTAIN STATE LAWS.—No  
2 provision of this Act shall be construed to preempt any  
3 State law (whether effective before, on, or after the date  
4 of the enactment of this Act) that specifies a particular  
5 monetary amount of compensatory or punitive damages  
6 (or the total amount of damages) that may be awarded  
7 in a health care lawsuit, regardless of whether such mone-  
8 tary amount is greater or lesser than is provided for under  
9 this Act, notwithstanding section 5(a).

10           (c) PROTECTION OF STATE’S RIGHTS AND OTHER  
11 LAWS.—

12           (1) IN GENERAL.—Any issue that is not gov-  
13 erned by a provision of law established by or under  
14 this Act (including the State standards of neg-  
15 ligence) shall be governed by otherwise applicable  
16 Federal or State law.

17           (2) RULE OF CONSTRUCTION.—Nothing in this  
18 Act shall be construed to—

19           (A) preempt or supersede any Federal or  
20 State law that imposes greater procedural or  
21 substantive protections (such as a shorter stat-  
22 ute of limitations) for a health care provider or  
23 health care institution from liability, loss, or  
24 damages than those provided by this Act;

1           (B) preempt or supercede any State law  
2           that permits and provides for the enforcement  
3           of any arbitration agreement related to a health  
4           care liability claim whether enacted prior to or  
5           after the date of enactment of this Act;

6           (C) create a cause of action that is not  
7           otherwise available under Federal or State law;  
8           or

9           (D) affect the scope of preemption of any  
10          other Federal law.

11 **SEC. 12. APPLICABILITY; EFFECTIVE DATE.**

12          This Act shall apply to any health care lawsuit  
13 brought in a Federal or State court, or subject to an alter-  
14 native dispute resolution system, that is initiated on or  
15 after the date of the enactment of this Act, except that  
16 any health care lawsuit arising from an injury occurring  
17 prior to the date of enactment of this Act shall be gov-  
18 erned by the applicable statute of limitations provisions  
19 in effect at the time the injury occurred.

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