

**SOMETHING YOU MAY NOT KNOW ABOUT MEDICAL BILLS**  
**IN PERSONAL INJURY CASES**

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This is not only for those who have been involved in personal injury cases, but also those who are not very familiar with what actually goes on. If you are injured in a motor vehicle collision in Kentucky, then your automobile insurance will pay up to \$10,000 in medical expenses and/or lost wages (not to get too technical, but if you are a passenger in someone else's car, then the car owner's insurance owes this coverage, or if you are struck as a pedestrian, the striking car's insurance owes this coverage). Many times your medical bills will exceed the basic \$10,000 coverage and the excess bills need to be paid by some other source. For example, if you have health insurance, Medicare or Medicaid, then they will pay your medical bills.

Does this mean that if you get your case settled or if you get a favorable jury verdict, that you'll receive double recovery, i.e., all your medical bills were paid, but you get to collect the amount of these bills? Contrary to popular belief, the answer is No. Why not? Well, there is a legal doctrine known as Subrogation. Black's Law Dictionary defines subrogation as "the substitution of one person in place of another with reference to a lawful claim, demand or right." Basically, subrogation allows an insurer (Health Insurance, Medicare, Medicaid, etc.) to "stand in the shoes" of the insured or beneficiary (you, the injured party) and enforce the insured's legal rights against a third party, commonly referred to as the tortfeasor (i.e., the person or entity who was at fault for causing your injury). It's easiest to think of subrogation as reimbursement.

If someone causes you injury and your medical bills are paid by some form of medical insurance, then you have an obligation to reimburse your medical insurance for the amounts they paid. Many times you will only have to pay back a lower amount than health insurance, Medicare, Medicaid, etc. actually paid. Rarely does medical insurance pay dollar-for-dollar (i.e., ER visit costs \$1,000 and medical insurance pays \$1,000). Instead, they pay a reduced amount (i.e., ER visit costs \$1,000 and medical insurance pays \$630.00 with remaining balance being written-off by hospital). Then, rarely do you have to pay back what the medical insurance actually paid, but instead you pay back a reduced/negotiated amount (i.e. Medical insurance paid \$630.00 for \$1,000 ER visit and you only pay back \$400 to medical insurance). Sometimes you pay back more, sometimes you pay back less. However, you almost always have to pay back something as long as the medical bill was related to your injury.

If you have ever served on a jury in a personal injury case, then during deliberations someone may have asked, "*Have the medical bills been paid?*" or "*Does the injured party have health insurance?*" or even may have made the statement, "*I know his/her bills have been paid, yet they're asking us to give them their medical bills... that's not right.*" One of the most common questions that jurors ask the judge is whether or not the injured party's medical bills have been paid. Unfortunately, under the current state of the law, the Court is not allowed to answer this question, leaving the jury to speculate and, most of the time, assume the answer is Yes meaning the medical bills have been paid. Even if they have been paid, the jury is never told that any amounts paid by medical insurance has to be paid back out of any jury verdict in the favor of the injured person. So the next time you are in a situation involving personal injury, whether you are the injured party or you are serving on a jury in a personal injury trial, remember the concept of Subrogation and the fact that any amounts paid for medical expenses have to be paid back.