

# DAILY LEGISLATIVE UPDATE



*Business matters.*

## Daily Legislative Update

94<sup>th</sup> Arkansas General Assembly  
Thursday, February 17, 2023 | Day 40

**\*\*\* CALL TO ACTION \*\*\***

Please ask your legislators to Vote YES on HB 1418

### STATE CHAMBER/AIA PRIORITY BILLS

#### Elimination of Phantom Damages -

**HB 1418** by Rep. Marcus Richmond with 17 co-sponsors and Sen. Missy Irvin with nine co-sponsors.

This State Chamber/AIA priority bill filed on Monday is a continuing effort we've worked on with others over multiple years to pass a form of litigation reform in Arkansas.

**HB 1418** is scheduled to be heard as a Special Order of Business in the House Judiciary Committee on Tuesday, February 21.

The bill addresses a civil justice abuse that contributes to growing litigation costs known as "phantom damages." It can also be considered a "transparency in damages" bill. The bill seeks to increase transparency and bring fairness to the calculation of damages in tort cases by defining economic damages as only those amounts actually paid by or on behalf of the plaintiff.

"Phantom Damages" exist any time lawsuit recoveries are calculated using the dollar amount a patient was billed for a medical service instead of the amount the patient, their insurer, Medicare, Medicaid or workers' compensation actually paid for the treatment. For example, a hospital may bill \$20,000 for an emergency room visit, while the amount the hospital actually receives after adjustments may be \$8,000. The \$12,000 difference is not owed and is not paid in the real world.

**Opposition contends that the bill will abolish the "collateral source rule." It does not.**

Arkansas' collateral source rule provides that a trial court must "exclude evidence of payments received by an injured party from sources 'collateral' to ... the wrongdoer, such as private insurance or government benefits...."

We believe injured patients should be compensated for medical care amounts that have actually been paid. When recoveries are calculated using billed charges rather than paid charges, "phantom damages" are created which neither the patient nor their insurer ever paid.

**Please ask your legislators to SUPPORT HB 1418.**

### **TODAY AT THE CAPITOL**

The legislature is in recess until Monday.

### **NEW TRACKED BILLS**

We added [8 bills](#) to our tracking today. These bills address local legal authority, occupational licensing, income taxes, labor, healthcare, veterinary care, property taxes and ethics rules.

### **BILL TRACKING**

720 Bills Filed | Senate: 4 new – 282 filed | House: 12 new – 454 filed  
State Chamber Tracking: 283 - 8 added today

To view all tracked bills by category, click [State Chamber AIA Bill Tracking Categories](#)

## **2023 STATE CHAMBER AIA LEGISLATIVE AGENDA**

---

### **LEGISLATIVE SESSION INFORMATION**

To view schedules, calendars, bill information, and legislator information, click [www.arkleg.state.ar.us](http://www.arkleg.state.ar.us).

### **LEGISLATIVE MESSAGE CENTER**

House of Representatives: 501-682-6211  
Senate: 501-682-2902

### **LIVE STREAMING FROM THE CAPITOL**

The House and Senate have links to live streaming of their committee meetings and floor session online.

- House: <https://www.arkansashouse.org/>
- Senate: <http://www.arkansas.gov/senate/>

### **STATE CHAMBER/AIA GOVERNMENTAL AFFAIRS TEAM**

- Randy Zook, President/CEO  
[rzook@arkansasstatechamber.com](mailto:rzook@arkansasstatechamber.com)
- Kenny Hall, Executive Vice President  
[khall@arkansasstatechamber.com](mailto:khall@arkansasstatechamber.com)
- Andrew Parker, Director of Governmental Affairs  
[aparker@arkansasstatechamber.com](mailto:aparker@arkansasstatechamber.com)
- Toni Lindsey, Director of Governmental Affairs  
[tlindsey@arkansasstatechamber.com](mailto:tlindsey@arkansasstatechamber.com)

Visit our website



1200 W. Capitol Ave., P.O. Box 3645  
Little Rock, AR 72203-3645

501-372-2222  
FAX 372-2722

---

---

STAY CONNECTED



Arkansas State Chamber of Commerce/Associated Industries of Arkansas  
1200 W. Capitol Ave., Little Rock, AR 72201  
P.O. Box 3645, Little Rock, AR 72203  
501-372-2222 | [arkansasstatechamber.com](http://arkansasstatechamber.com)