



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: HB0195: Revise noneconomic damages in medical malpractice actions

Primary Sponsor: Bill Mercer Status: As Introduced

☐ Included in the Executive Budget ☐ Needs to be included in HB 2 ☐ Significant Local Gov Impact  
☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

### **FISCAL SUMMARY**

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Net Impact</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### **Description of fiscal impact**

HB 195 revises the noneconomic damage limitation applicable in medical malpractice cases. The damage limit increases each fiscal year effective January 1, 2026. Beginning with the increase effective January 1, 2030, the court administrator's office is required to publish the adjustment limit within 14 days of January 1, and each year thereafter. There is no fiscal impact to the state as these duties can be performed by the office's existing staff.

### **FISCAL ANALYSIS**

#### **Assumptions**

#### **Department of Administration**

#### **Health Care and Benefits (HCBF)**

1. An increase in the limitations of noneconomic damages from medical malpractice does not directly impact the claims processing costs of the State of Montana Employee Benefit Plan. This risk lies with the providers' malpractice insurance coverage. If an insurance provider increases their premium rates due to the increased limits of noneconomic damages from medical malpractice, a provider may increase the cost of their services in the future. However, this amount is nonquantifiable.

#### **Risk Management and Tort Defense (RMTD)**

2. HB 195 limits the medical malpractice noneconomic damage award to \$300,000 with incremental annual increases. The Risk Management and Tort Defense Division cannot predict if, or when, a medical malpractice claim will be brought against the state, or if there will be noneconomic damages awarded.

#### **Judiciary**

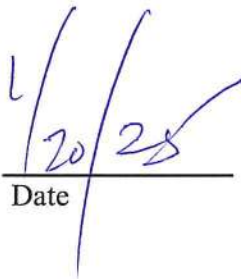
**Fiscal Note Request - As Introduced**

*(continued)*

3. Beginning January 1, 2030, and each year after, the court administrator's office will be required to publish the adjusted noneconomic damage limit applicable in medical malpractice cases.
4. The Judicial Branch assumes that publishing means posting the adjusted limits to the Judicial Branch website or providing the information electronically free of charge.
5. It is assumed that this task will be absorbed with other duties performed by the court administrator's office and there will be no additional cost.
6. There is no fiscal impact to the Judicial Branch as a result of this bill.



Sponsor's Initials



Date



Budget Director's Initials

1/20/2025

Date