

SUPREME COURT OF INDIANA

Brandon Stanley v. Danny Walker

Stanley v. Walker, 906 N.E.2d 852 (Ind. 2009) · No. No. 41S01-0810-CV-539 · Decided May 27, 2009

SUMMARY

The Indiana Supreme Court held that discounted amounts accepted by medical providers may be admitted, without referencing insurance, as evidence of the reasonable value of medical services in a personal injury action. The court concluded that Indiana's collateral source statute does not bar such evidence and remanded with instructions to reduce the damages award by \$4,750, subject to the plaintiff's choice to accept the remittitur or retry damages.

CASE DETAILS

COURT	Supreme Court of Indiana
WRITING FOR THE COURT	Justice Sullivan; Chief Justice Shepard; Justice Boehm; Justice Dickson; Justice Rucker
JURISDICTION	Indiana
DECIDED	May 27, 2009
DOCKET	No. 41S01-0810-CV-539
DISPOSITION	affirmed
PROCEDURAL POSTURE	In a personal-injury action tried solely on damages after the defendant admitted negligence, the trial court excluded evidence of discounted medical charges. The Indiana Court of Appeals affirmed. The Indiana Supreme Court granted transfer, reversed the evidentiary ruling, affirmed the judgment subject to a remittitur, and remanded.
STANDARD OF REVIEW	The court reviewed the trial court's evidentiary ruling and jury instruction for legal error.
PRECEDENTIAL VALUE	Published Indiana Supreme Court opinion; precedential
PARTIES	Brandon Stanley v. Danny Walker

TOPICS

- evidence
- relevance
- personal injury
- damages
- statutory interpretation

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether evidence of discounted medical charges accepted by medical providers may be admitted, without referencing insurance, to rebut the prima facie reasonableness of the plaintiff's original medical bills.
2. Whether the trial court's jury instruction was erroneous because it identified the original medical bills as evidence of reasonable medical expenses but did not also identify the discounted amounts as admissible evidence.
3. What remedy was appropriate after the trial court improperly excluded the discounted medical-charge evidence.

HOLDINGS

1. In a personal-injury action, discounted or accepted medical charges may be introduced as evidence relevant to the reasonable value of medical services, provided they are introduced without referencing insurance.
2. The trial court erred by instructing the jury that the original medical bills constituted prima facie evidence of reasonable and fair value without also allowing consideration of the discounted amount actually paid.
3. The judgment was affirmed subject to a \$4,750 reduction in the damages award; if Walker rejected the remittitur, he could retry the damages issue before another jury.

KEY QUOTATIONS

“The collateral source statute does not bar evidence of discounted amounts in order to determine the reasonable value of medical services.” (858)

“The reasonable value of medical services is the measure used to determine damages to an injured party in a personal injury matter.” (858)

“Because Stanley sought to do so without referencing insurance, his evidence should have been admitted.” (859)

FACTUAL BACKGROUND

Brandon Stanley and Danny Walker were involved in a 2004 automobile accident. Walker sustained injuries and received treatment from eleven medical providers. The providers originally billed \$11,570, but accepted \$6,820 from Walker's health insurer after \$4,750 in contractual discounts; neither Walker nor his insurer was responsible for the discounted amount. Stanley admitted negligence, leaving the reasonable value of Walker's medical expenses and other damages for trial.

PROCEDURAL HISTORY

Walker sued Stanley after an automobile accident, seeking medical expenses, lost wages, and pain and suffering. Stanley admitted negligence, and the case proceeded to a damages trial. Walker introduced medical bills totaling \$11,570, while Stanley sought to introduce evidence that the providers accepted \$6,820 after contractual discounts. The trial court excluded the discounted amounts, and the jury awarded Walker \$70,000. The Court of Appeals affirmed, after which the Supreme Court granted transfer.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

The trial court was ordered to reduce the damages award by \$4,750. If Walker did not accept the remittitur, he could retry the issue of damages before another jury.

CASES CITED

- Shirley v. Russell, 663 N.E.2d 532, 534 (Ind. 1996)
- Cook v. Whitsell-Sherman, 796 N.E.2d 271, 277-78 (Ind. 2003)
- Smith v. Syd's, Inc., 598 N.E.2d 1065, 1066 (Ind. 1992)
- Chemco Transp., Inc. v. Conn, 506 N.E.2d 1111, 1115 (Ind. Ct. App. 1987), rev'd on other grounds, 527 N.E.2d 179 (Ind. 1988)
- Robinson v. Bates, 112 Ohio St. 3d 17, 857 N.E.2d 1195, 1200-01 (2006)
- Stanley v. Walker, 888 N.E.2d 222, 230 (Ind. Ct. App. 2008)
- Stanley v. Walker, 898 N.E.2d 1226 (Ind. 2008) (table)
- Butler v. Indiana Department of Insurance, 904 N.E.2d 198, 202 (Ind. 2009)