

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** March 17, 2003

**SUBJECT:** Fiscal Impact Statement: "Medical Injury Compensation Reform Act of 2003"

**REFERENCE:** Draft Legislation - No Bill Number Available

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**Conclusion**

Funds are sufficient in the FY 2003 to FY 2006 budget and financial plan to enact the Medical Injury Compensation Reform Act of 2003. The proposed legislation has no fiscal impact on the District's budget because it does not affect District staff or resources.

**Background**

The Medical Injury Compensation Reform Act of 2003 limits the amount of noneconomic damages that may be recovered in any healthcare lawsuit to \$250,000; provides limits for contingent fees for attorneys representing all claimants in a healthcare lawsuit; and limits the amount of punitive damages awarded in a healthcare lawsuit to as much as two times the amount of economic damages awarded or \$250,000, whichever is greater.

**Financial Plan Impact**

While the provisions in the Medical Injury Compensation Reform Act of 2003 have no direct impact on the budget or financial plan, the measure has the potential, over time, to result in lower insurance premiums and to reduce the overall costs of District spending on healthcare.