

## Collateral Source Rule State Summary

The collateral source rule divides the different States into three broad categories, plus a very small fourth category.

First, there are those States who follow the common law rule and amounts paid are generally inadmissible:

Arkansas (collateral source rule statute was declared unconstitutional)  
Colorado (statute reinstated collateral source rule)  
Georgia  
Hawaii  
Kentucky (collateral source rule statute was declared unconstitutional)  
Louisiana (there is an exception for Medicaid)  
Mississippi  
New Hampshire (collateral source rule statute was declared unconstitutional)  
New Mexico  
South Carolina  
Vermont  
Virginia  
Wyoming

Note that some of these States have not resolved the admissibility of collateral source evidence to establish the reasonable value of medical services.

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The second category of States is formed by those that *generally followed the collateral source rule and evidence of amounts paid is inadmissible, but it has been abrogated by statute in medical negligence cases*. These are as follows:

Arizona  
Delaware  
Maine (professional negligence)  
Maryland  
Massachusetts  
Nebraska  
Nevada (also work comp cases)  
New York  
Rhode Island  
South Dakota  
Tennessee  
Utah  
West Virginia  
Washington (does not apply to where a person has purchased insurance to obtain the benefit.)  
Wisconsin (Med Mal and Long-Term Care cases)

Again, this change is purely statutory.

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The third category is those States that have all but abrogated the collateral source rule. There are three subsets in this category. One group of States still makes *collateral source payments inadmissible, but allow evidence be introduced after verdict to reduce the damages to the amount paid*. Some States allow evidence of payments made to secure the collateral source (insurance premiums).

- Alaska
- California (also has statute abrogating rule for medical malpractice cases)
- Connecticut
- Florida
- Illinois (limited to a 50% reduction of verdict)
- Michigan
- Minnesota
- Montana
- New Jersey

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The next subcategory is those States that have all *abrogated the collateral source rule and allow evidence of both the amount billed and the amount paid to be presented to the jury to determine the reasonable value of medical services*.

- Alabama
- Indiana
- Iowa
- Kansas
- Missouri (presumption that amounts paid are reasonable value of medical services)
- Ohio

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The last subcategory is those States that have *abolished the collateral source rule and only allow evidence of the amount **paid** be submitted to the jury to determine the reasonable value of medical services*.

- Idaho
- North Carolina
- Oklahoma
- Pennsylvania
- Texas

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A small category of states allow, by statute, evidence of collateral source benefits that have not been paid for by the beneficiary. In other words, if you bought it, you get the benefit, not the tortfeasor. If you got it for free, the tortfeasor gets credit.

- North Dakota
- Oregon