

**ADMISSIBILITY OF MEDICARE PAYMENTS, ADJUSTMENTS,
AND WRITE-OFFS AT TRIAL**

by Clark I. Mitchell

Iowa's collateral source rule "continues to preclude evidence of payments made pursuant to any federal program for an injured person's actual economic losses." Pexa v. Auto Owners Insurance Co., 686 N.W.2d 150, 156 (Iowa 2004) (citing Iowa Code § 668.14(1)). The collateral source rule is not implicated, however, when there is no reduction of plaintiff's recovery by the amount paid by a collateral source. Pexa, 686 N.W.2d at 156. That is, "[a] proper calculation of the plaintiffs' medical expenses must precede a determination of their recoverability; only the latter issue implicates the collateral source rule." Pexa, 686 N.W.2d at 156. "The rule is implicated if a plaintiff's recovery is reduced by the amounts paid by a collateral source, but not if the plaintiff's recovery is simply limited to those amounts." Wildner v. Wendorff, 723 N.W.2d 451, 2006 WL 2265453, at 4 (Iowa Ct. App.). For example, in Wildner, the Court held:

[T]he evidence of payments, adjustments, and write-offs was introduced to establish the actual expense of the medical services provided to Wildner and her son. Thus, the collateral source rule was not implicated. Wildner was only entitled to recover the reasonable and necessary costs of the medical care, and the reasonable value of these services may be proved by evidence of the amount paid for such services.

Wilder, 2006 WL 2265453, at 4. "Thus, the district court did not abuse its discretion by allowing evidence of payments, write-offs, and adjustments into the record." Wilder, 2006 WL2265453, at 4. The amount actually paid is probative evidence of the reasonable value of medical expenses. Pexa, 686 N.W.2d at 157.