1. **Does your jurisdiction maintain a collateral source rule?**

   For actions arising on or after October 1, 2011, the answer to this question in North Carolina is no. On that date, amended N.C. Rule of Evidence 414 took effect. It provides that:

   Evidence offered to prove past medical expenses shall be limited to evidence of the amounts actually paid to satisfy the bills that have been satisfied, regardless of the source of payment, and evidence of the amounts actually necessary to satisfy the bills that have been incurred but not yet satisfied. This rule does not impose upon any party an affirmative duty to seek a reduction in billed charges to which the party is not contractually entitled.

   N.C. Gen. Stat. § 8C-1, Rule 414. Under the plain language of Rule 414, a plaintiff can only submit evidence of the amounts actually paid or that will be necessary to pay in order to satisfy his or her medical bills. A plaintiff cannot submit evidence of the total amount of medical bills if that total amount was not paid or has been reduced.

2. **Does your jurisdiction allow plaintiff to recovery for expenses written off by the healthcare provider?**

   No. Rule 414 of the North Carolina Rules of Evidence governs what evidence may be offered at trial. Prior to its amendment in 2011, Rule 414 allowed the plaintiff to offer evidence of the bills incurred, regardless of whether a medical provider had accepted less than the amount of the bill in satisfaction of the bill. In October 2011, Rule 414 was amended to limit the evidence to prove past medical expenses to the amounts actually paid to satisfy the bill.

3. **Must a plaintiff prove medical services were reasonable or necessary in order to recover?**

   Yes. See Chamberlain v. Thames, 131 N.C. App. 705, 717, 509 S.E.2d 443, 450 (1998) ("[I]n order to collect damages for medical bills, the treatment for which charges are incurred must be reasonably necessary, and the charges must be reasonable in amount."). N.C. Gen. Stat. § 8-58.1 creates a scheme of presumptions that allow the injured party to carry that burden. Section 8-58.1 states:
(a) Whenever an issue of hospital, medical, dental, pharmaceutical, or funeral charges arises in any civil proceeding, the injured party or his guardian, administrator, or executor is competent to give evidence regarding the amount paid or required to be paid in full satisfaction of such charges, provided that records or copies of such charges showing the amount paid or required to be paid in full satisfaction of such charges accompany such testimony.

(b) The testimony of a person pursuant to subsection (a) of this section establishes a rebuttable presumption of the reasonableness of the amount paid or required to be paid in full satisfaction of the charges. However, in the event that the provider of hospital, medical, dental, pharmaceutical, or funeral services gives sworn testimony that the charge for that provider's service either was satisfied by payment of an amount less than the amount charged, or can be satisfied by payment of an amount less than the amount charged, then with respect to that provider's charge only, the presumption of the reasonableness of the amount charged is rebutted and a rebuttable presumption is established that the lesser satisfaction amount is the reasonable amount of the charges for the testifying provider's services. For the purposes of this subsection, the word “provider” shall include the agent or employee of a provider of hospital, medical, dental, pharmaceutical, or funeral services, or a person with responsibility to pay a provider of hospital, medical, dental, pharmaceutical, or funeral services on behalf of an injured party.

(c) The fact that a provider charged for services provided to the injured person establishes a permissive presumption that the services provided were reasonably necessary but no presumption is established that the services provided were necessary because of injuries caused by the acts or omissions of an alleged tortfeasor.

4. **Must a plaintiff guarantee reimbursement payment to a healthcare provider if a judgment is rendered or settlement achieved?**

While there is no North Carolina law requiring a plaintiff to unilaterally guarantee reimbursement payment to a healthcare provider if a judgment is rendered or settlement achieved, N.C. Gen. Stat. § 44-49 generally entitles healthcare providers to a lien on any sums owed to the healthcare provider by the plaintiff for services rendered in connection with the injury in compensation for which damages have been recovered. See N.C. Gen. Stat. § 44-49. N.C. Gen. Stat. § 44-50 goes on to provide that such a lien shall “attach upon all funds paid to any person in compensation for or settlement of the injuries, whether in litigation or otherwise,” and “[b]efore their disbursement, any person that receives those funds shall retain out of any recovery or any compensation so received a sufficient amount to pay the just and bona fide claims for any drugs, medical supplies, ambulance services, services rendered by any physician, dentist, nurse, or hospital, or hospital attention or services, after having received notice of those claims.”

5. **If an insurance carrier maintains a contractual agreement with a healthcare provider that reduces payment, what can a plaintiff “blackboard” as damages?** (i.e., what
effect does a pre-existing agreement between an insurance carrier and healthcare provider have on a plaintiff’s ability to recover medical bills?)

Regardless of whether an insurance carrier maintains a contractual agreement with a healthcare provider that reduces payment, Rule 414 of the North Carolina Rules of Evidence controls, and exclusively allows only “evidence of the amounts actually paid to satisfy the bills that have been satisfied, regardless of the source of payment, and evidence of the amounts actually necessary to satisfy the bills that have been incurred but not yet satisfied.” N.C. Gen. Stat. § 1A-1, Rule 414.