

# MEDICAL ADVISORS, INC

## TECHNICAL NETWORK CONSULTING SERVICE®

### LIFE CARE PLANS

#### Perspectives of An Economist on Life Care Plans *Economist from Massachusetts*

At trial, an economist's opinion regarding the future medical and personal care costs facing an injured plaintiff relies entirely on a life care plan.

To be helpful to the economist, the format of the life care plan should be as close a match as possible to the individual components of the Medical Care Price Index (MCPI). Such categories of care might include Physician Services, Other Professional Services, Prescription Medications, Non-Prescription Medications, Medical Tests, Equipment and Supplies, Non-Medical Goods and Services, Nursing Care, and Facility Care.

For each category of care, the economist needs to know the base year cost. The economist can only consider those items of care that will probably be needed, not those that might be needed. Secondly, the medical costs included in a life care plan should be only those that directly result from the tort, not every item a person needs. For example, everyone needs a vehicle for travel. If a quadriplegic needs a modified van, only the incremental cost of the modifying the van should be included in the life care plan. Thirdly, the life care planner should discuss with the economist whether or not to include household services, to avoid double counting. Often, the economist will have his/her own method for determining the current and future value of such services. If these services are included in the life care plan, care should be exercised to include the need for household services that result directly from the tort.

Usually, in catastrophic cases, nursing care will be the major cost. It is important for the life care planner to determine whether this care would be delivered by an R.N. or nursing aide, whether care is needed over 24 hours, or just during a day shift, and whether care is needed in a facility or would be provided at home. Defense attorneys will often hone in on items like shower stools and sunscreen lotions. Even if needed, these items will be negligible when compared to nursing care costs.

#### Other Issues to Consider in Calculating Future Medical and Personal Care Expenses

The life care planner indicates the need for various products and services in the future as a result of the plaintiff's medical

condition. She makes recommendations concerning the frequency and duration of medical needs.

In calculating present values, the economist considers each category of medical expense was considered separately. Where the life care planner indicates a range of costs, the mid-point is usually used.

Each medical need has an associated growth in costs over the plaintiff's life expectancy. The cost increase for each category of expense is considered relative to historical trends as well as information available on factors that might affect the future. An economist will usually calculate future medical and personal care costs over a normal life expectancy, but the determination of life expectancy can be the greatest uncertainty in an economist's calculation. A physician can testify about life expectancy, or reliance placed on large databases of similarly situated individuals, such as that available for quadriplegics at the University of Alabama at Birmingham, but the decision should be made in consultation with the plaintiff's attorney. The decision on life expectancy should also be considered with respect to health prior to the tort. That is, was the plaintiff a heavy smoker, or someone who drank large amounts of alcohol, or someone who had taken drugs, or otherwise engaged in risky behavior with respect to their health.

Usually, future medical expenses are calculated without any consideration of taxation. As such, a tax free rate of interest is used to determine present values.

There are numerous experts who are more than willing to provide testimony for medical malpractice and personal injury litigation cases. Finding the right one is crucial to the strength of your particular case.

Since 1983, Medical Advisors has assisted in the selection of expert witnesses in several thousand cases. Working with plaintiff and defense bar, we have provided medical opinions and testimony which have resulted in competent preparation and in-court support for cases involving medical malpractice, hospital negligence, personal injury, workers' compensation and product liability.

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