This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 4544 Introduced on May 8, 2025
Subject:	Medical Malpractice
Requestor:	House Judiciary
RFA Analyst(s):	Welsh
Impact Date:	January 27, 2026

Fiscal Impact Summary

This bill modifies the situations in medical malpractice cases where the noneconomic damage caps do not apply and adds a limit of eight times the current limitations on noneconomic damages to those situations. This bill also modifies to the definition of "occurrence" in the South Carolina Torts Claims Act (SCTCA), Chapter 78 of Title 15, to consider multiple acts or omissions without a break in causation are considered a single occurrence. Additionally, the Revenue and Fiscal Affairs Office (RFA) is required to update limitations on compensation for all claims pursuant to items (1), (2), (3), or (4) of subsection (A) in §15-78-120 at the end of each year in accordance with the change to the Consumer Price Index (CPI). Further, this bill modifies the situations where a person may recover damages from an employee acting within the scope of their employment for a charitable organization and adds a limit of eight times the current limitations on noneconomic damages to those situations.

This bill will have no fiscal impact on RFA. Calculating an adjustment to the limitation on compensation based on changes to CPI can be managed within the normal course of business.

This bill will have an undetermined impact on the Insurance Reserve Fund (IRF) within the State Fiscal Accountability Authority (SFAA). The impact to the IRF will depend on courts' interpretation of the change to the definition of "occurrence," which may reduce liability by reducing the practice of stacking occurrences, and whether the language expanding the situations where damage caps are inapplicable in medical malpractice cases alters defenses, immunities, limitations of liability, or other terms under the SCTCA, which may lead to increased damages. SFAA further anticipates this bill's impact will depend on whether the CPI adjustment to the limitation of compensation is applied to the date a loss is incurred by a plaintiff or the date damages are paid. If this bill results in a sufficient increase in expenses, these expenses will be offset by an increase in premiums.

This bill may result in an increase in expenses for state agencies and local entities who are insured through the IRF, depending on the impact to the IRF and the need to offset expenses with an increase in insurance premiums.

This bill may result in an increase in Other Funds revenue for the IRF, depending on the impact to the IRF and the need to offset expenses with an increase in insurance premiums.

The S.C. Department of Education (SCDE) surveyed seventy-two regular school districts and three charter school districts and received responses from fifteen districts. Seven of the responding districts indicate that the bill will have no expenditure impact. The remaining eight districts report that the impact is currently undetermined dependent upon increases in costs associated with litigation and liability insurance.

RFA also contacted all counties in the state and the Municipal Association of South Carolina (MASC) to determine the potential local expenditure impact of this bill may have for local governments. Responses received from the counties of Charleston and Florence indicate the local expenditure impact on these counties is expected to be minimal and managed within current resources. MASC anticipates this bill will have no impact on municipalities.

Explanation of Fiscal Impact

Introduced on May 8, 2025
State Expenditure
This bill modifies the situations in medical malpractice cases where the noneconomic damage caps do not apply and adds a limit of eight times the current limitations on noneconomic damages to those situations. This bill also modifies to the definition of "occurrence" in the SCTCA, Chapter 78 of Title 15, to consider multiple acts or omissions without a break in causation are considered a single occurrence. Additionally, RFA is required to update limitations on compensation for all claims pursuant to items (1), (2), (3), or (4) of subsection (A) in §15-78-120 at the end of each year in accordance with the change to the Consumer Price Index (CPI). Further, this bill modifies the situations where a person may recover damages from an employee acting within the scope of their employment for a charitable organization and adds a limit of eight times the current limitations on noneconomic damages to those situations.

This bill will have no fiscal impact on RFA. Calculating an adjustment to the limitation on compensation based on changes to CPI can be managed within the normal course of business.

This bill will have an undetermined impact on the IRF within SFAA. The impact to the IRF will depend on courts' interpretation of the change to the definition of "occurrence," which may reduce liability by reducing the practice of stacking occurrences, and whether the language expanding the situations where damage caps are inapplicable in medical malpractice cases alters defenses, immunities, limitations of liability, or other terms under the SCTCA, which may lead to increased damages. SFAA further anticipates this bill's impact will depend on whether the CPI adjustment to the limitation of compensation is applied to the date a loss is incurred by a plaintiff or the date damages are paid. If this bill results in a sufficient increase in expenses, these expenses will be offset by an increase in premiums.

This bill may result in an increase in expenses for state agencies and local entities who are insured through the IRF, depending on the impact to the IRF and the need to offset expenses with an increase in insurance premiums.

State Revenue
This bill may result in an increase in Other Funds revenue for the IRF, depending on the impact to the IRF and the need to offset expenses with an increase in insurance premiums.

Local Expenditure
This bill modifies the situations in medical malpractice cases where the noneconomic damage caps do not apply and adds a limit of eight times the current limitations on noneconomic damages to those situations. This bill also changes the definition of "occurrence" to consider multiple acts or omissions without a break in causation are considered a single occurrence, among other changes.

SCDE surveyed seventy-two regular school districts and three charter school districts and received responses from fifteen districts. Seven of the responding districts indicate that the bill will have no expenditure impact. The remaining eight districts report that the impact is currently undetermined dependent upon increases in costs associated with litigation and liability insurance.

RFA also contacted all counties in the state and MASC to determine the potential local expenditure impact of this bill may have for local governments. Responses received from the counties of Charleston and Florence indicate the local expenditure impact on these counties is expected to be minimal and managed within current resources. MASC anticipates this bill will have no impact on municipalities.

Local Revenue
N/A

Frank A. Rainwater, Executive Director