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**SOUTH CAROLINA
REVENUE AND FISCAL AFFAIRS OFFICE**

FRANK A. RAINWATER
Executive Director

MEMORANDUM

To: Legislative Council

From: Frank A. Rainwater, Executive Director *FAR*

Date: January 28, 2022

Subject: Non-Economic (Medical Malpractice) Damages Limitation – Inflation Component

This memo is to provide the annual update regarding the applicable inflation adjustment to the limitations for non-economic damages on medical malpractice claims. Pursuant to §15-32-220(F), the limit on civil liability for noneconomic damages on a medical malpractice claim is adjusted each fiscal year based on the increase or decrease in the ratio of the Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor, Bureau of Labor Statistics as of December 31 of the previous calendar year. The adjustment is a cumulative index using a base year of 2004. The 2004 base year was adopted to be consistent with the timing of the enacting legislation. As of December 31, 2021, the index increased by 46.5 percent from a value of 190.3 in December 2004 to 278.802 in December 2021. With this inflation factor, the limit against a single health care provider and a health care institution for each claimant for civil liability for noneconomic damages on medical malpractice claims when final judgment is rendered increases to \$512,773. Also, the limit against all health care providers and all health care institutions for each claimant for civil liability for noneconomic damages on medical malpractice claims increases to \$1,538,319. The adjusted limitations on compensation for noneconomic damages become effective upon publication in the State Register pursuant to §1-23-40(2).

The attached table displays the historical inflation adjustments to awards of non-economic damages. If we may be of additional assistance, please feel free to contact Mary Katherine Miller at marykatherine.miller@rfa.sc.gov or (803) 734-3322.

Non-Economic Damages Inflation (Medical Malpractice)					
CPI (All Urban Consumers)		Annual Percent Increase (Dec. to Dec.)	Percent Increase from Enactment (July 2005)	Medical Malpractice Limitation (A&B: Single Health Care Institution/Provider per Claimant)	Medical Malpractice Limitation (C: All Health Care Institutions/Providers per Claimant)
2004 Dec	190.3	N/A	N/A	\$350,000	\$1,050,000
2005 Dec	196.8	3.4%	3.4%	\$361,955	\$1,085,864
2006 Dec	201.8	2.5%	6.0%	\$371,151	\$1,113,452
2007 Dec	210.036	4.1%	10.4%	\$386,298	\$1,158,895
2008 Dec	210.228	0.1%	10.5%	\$386,652	\$1,159,955
2009 Dec	215.949	2.7%	13.5%	\$397,174	\$1,191,521
2010 Dec	219.179	1.5%	15.2%	\$403,114	\$1,209,343
2011 Dec	225.672	3.0%	18.6%	\$415,056	\$1,245,169
2012 Dec	229.601	1.7%	20.7%	\$422,282	\$1,266,847
2013 Dec	233.049	1.5%	22.5%	\$428,624	\$1,285,872
2014 Dec	234.812	0.8%	23.4%	\$431,867	\$1,295,600
2015 Dec	236.525	0.7%	24.3%	\$435,017	\$1,305,051
2016 Dec	241.432	2.1%	26.9%	\$444,042	\$1,332,126
2017 Dec	246.524	2.1%	29.5%	\$453,407	\$1,360,222
2018 Dec	251.233	1.9%	32.0%	\$462,068	\$1,386,204
2019 Dec	256.974	2.3%	35.0%	\$472,627	\$1,417,881
2020 Dec	260.474	1.4%	36.9%	\$479,064	\$1,437,192
2021 Dec	278.802	7.0%	46.5%	\$512,773	\$1,538,319

The adjusted limitation on an award for punitive damages becomes effective upon publication in the State Register pursuant to § 1-23-40(2).