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To the Members of the California State Senate and California State Assembly:

I am not writing to ask you to repeal SB 623.

I am not asking you to choose physicians over attorneys, patients over businesses, or medical providers over rideshare companies.

And I am not asking California to abandon reasonable tort reform.

I am asking for something far narrower, and, I believe, far more achievable:

Take another look at SB 623 now that it is law. Identify the provisions that unnecessarily harm legitimate independent medical practices and patient access to care. And surgically repair them before those provisions become entrenched … or, worse, become the blueprint for all California personal injury.

That is the opportunity before you.

Not repeal. **Repair.**

Not another political war. A surgical correction.

SB 623 Was Born From Compromise. That Doesn't Mean Every Provision Got It Right.

I recognize the political realities that produced SB 623.

Uber was pursuing major changes through the ballot process. California's plaintiffs' attorneys had enormous concerns about those proposals. A compromise was reached. The ballot battle ended as Governor Newsome desired.

And legislation became the vehicle through which that compromise was implemented.

There were legitimate interests on both sides.

Rideshare companies have a legitimate interest in combating excessive verdicts, unreasonable medical specials, unnecessary care, and abusive litigation practices. Attorneys have a legitimate interest in preserving injured Californians' ability to obtain representation and pursue legitimate claims. Consumers have a legitimate interest in transportation availability and affordability. And the Legislature has a legitimate interest in balancing all of them.

But there was another stakeholder whose interests deserved equally careful analysis: **The independent medical provider who actually treats the injured patient.**

These are Pain physicians. Chiropractors. Physical therapists. Neurologists. Psychologists. Orthopedic and spine surgeons. Independent surgical practices and ASCs. Imaging providers.

And the other independent healthcare professionals who agree to treat PI patients despite potentially waiting months or years for payment. I have personally championed in personal injury all of these physician and provider segments over the past 15 years.

These providers were not merely numbers appearing on a verdict form. **They were the people providing the care.**

The question now is whether the final compromise used too broad a brush in addressing legitimate litigation problems and, in doing so, created unintended consequences for the healthcare professionals upon whom injured Californians depend.

Legislators Should Ask One Simple Question

For every medical provision in SB 623, ask: **What problem were we actually trying to solve?**

If the problem was excessive medical bills being shown to juries to increase verdicts … **solve that problem.**

If the problem was undisclosed attorney-provider referrals … **solve that problem.**

If the problem was unnecessary medical treatment … **solve that problem.**

If the problem was abusive medical funding … **solve that problem.**

If the problem was unreasonable charges … **solve that problem.**

But don't automatically extend the solution beyond the problem being addressed. That is the difference between legislation using a **scalpel** and legislation using a **shotgun.**

And I believe SB 623 needs several carefully placed incisions.

Surgical Repair #1: Separate Trial Evidence From the Underlying Medical Bill

This distinction may be the most important.

If policymakers believe that unusually high medical charges are being placed before juries and then used to artificially increase economic damages, pain-and-suffering awards, or so-called nuclear verdicts, reasonable evidentiary limitations can address that concern.

But ask yourselves: **Why must a rule governing what a jury sees also dictate the underlying economics between an injured patient and the independent physician who provided the care?**

Those are two different issues.

An insured medical transaction may involve a contracted rate and relatively predictable reimbursement. PI lien care is different.

An independent provider may treat today and receive nothing for: A year. Two years. Often longer.

During that time, the practice continues paying staff, rent, malpractice coverage, equipment, supplies, technology, compliance expenses, and California's extraordinarily high operating costs.

The provider assumes: Payment risk. Liability risk. Policy-limit risk. Settlement risk. Litigation delay. Lawsuit abandonment and lawsuit defeats.

And the very real possibility that, after waiting years, an attorney will request a substantial reduction of the medical bill.

Sometimes the provider receives little. Sometimes nothing.

That risk has economic value.

It does not justify an unreasonable charge.

But a reimbursement benchmark derived from conventional healthcare transactions does not necessarily reflect the economics of a provider financing care through delayed payment. So preserve reasonable FAIR Health-based evidentiary protections if they are necessary to address verdict inflation.

But consider limiting their effect to the problem they were intended to solve: W**hat evidence should be presented in litigation.**

Do not unnecessarily transform a trial-evidence reform into a de facto regulation of what independent healthcare providers may reasonably charge or recover outside that evidentiary context.

That is a surgical repair.

Surgical Repair #2: Put Referral Responsibility on the Party Who Actually Knows

Transparency is good policy. And undisclosed referral arrangements deserve scrutiny. Kickbacks should not be protected.

But if California wants to know who referred a patient to a provider, place the primary obligation upon **the party who made or controlled the referral.**

Often, that is the law firm.

The physician may know: **This patient came from Smith & Jones.**

But the physician may not know whether the referral originated with the attorney, a case manager, another medical provider, a marketing relationship, a referral network, or even the patient.

Yet the medical provider can be placed in the position of making declarations under penalty of perjury. Why? If the law firm originated the referral, the law firm possesses the information.

Require the party with actual knowledge to disclose it.

The Legislature loses nothing. Uber loses nothing. The courts lose nothing.

Transparency remains. Accountability remains. But unnecessary legal risk is removed from the provider.

Another surgical repair.

Surgical Repair #3: Preserve Legitimate Medical Funding While Regulating Abuse

Consider the injured Californian who needs surgery. Not eventually. **Now.**

The patient may not have health insurance capable of providing timely access to the appropriate specialist. The patient may have an unaffordable deductible. The needed surgeon may be outside the network.

Or a highly qualified surgeon may understandably refuse to perform a $50,000, $75,000, or $100,000+ procedure and then personally finance it for several years while assuming the risk of the patient's litigation success.

That does not make the surgeon greedy. **It means the surgeon is not a bank.**

Medical funding can fill that gap.

A funding company assumes financial risk that neither the patient nor provider can reasonably carry and allows medically necessary care to occur when it is needed.

Are there abuses? Yes. Address them.

Funding companies should make reasonable profits reflecting real risk, capital, delay, and uncertainty, not extraordinary profits detached from market reasonableness.

Require appropriate transparency. Regulate abusive practices.

But don't eliminate the legitimate value.

And once again, separate two concepts: **What amount should a jury consider as evidence? … versus … Can a patient obtain legitimate financing to receive medically necessary care?**

California can restrict inappropriate evidentiary use without destroying the financing transaction that allowed the care to occur.

Another surgical repair.

And Medicine Must Accept Accountability Too

I am not asking the Legislature to simply give the medical industry what it wants.

Healthcare must clean its own house.

Providers and physicians should bill reasonably. Providers and physicians should treat only when medically necessary. Surgeons should not perform or even recommend procedures they know are unnecessary.

Chiropractors and therapists should not continue treatment merely because a PI claim remains open. Physicians should not allow legal case value to dictate medical decision-making. Documentation should accurately tell the patient's injury, treatment, recovery, and pain-and-suffering journey. Improper financial relationships should be exposed.

Bad providers should not be protected by good providers.

The medical industry should be willing to say: **Hold us accountable for reasonable billing and medically necessary care.**

But accountability should apply to **every stakeholder.**

Don't Shift Everyone Else's Burdens Onto Medicine

This is another area I ask legislators to examine carefully.

If an attorney makes a referral, why should the physician bear the principal disclosure burden?

If a jury's use of medical specials is the concern, why regulate the underlying provider-patient economics rather than the evidence?

If a funding company charges an unreasonable return, regulate that conduct rather than restricting legitimate medical care at the time its needed for your represented Californians?

If attorneys, providers, funding companies, insurers, or transportation companies engage in unethical practices, target those practices directly.

Don't solve one industry's problem by transferring its burden to another.

The independent medical practice is often the least financially powerful participant in the entire PI ecosystem.

It does not have the resources of Uber. It does not have the political organization of California's Legal Lobby. It does not have the reserves of an insurance company. And yet the independent provider is often the party asked to finance the patient's care while waiting for everyone else to resolve the case.

That deserves consideration.

The Patient Is the Person I Fear Gets Lost

Much of SB 623 is discussed in terms of: Verdicts. Attorney fees. Medical bills. Liens. Funding. Insurance. Litigation. The need for tort reform.

But behind all of those words is a human being who was injured. **The patient … Californians.**

Imagine that citizen’s perspective.

They were just in a collision. They are hurting. They may be frightened. They may not be able to work. They may not understand insurance. They may not know which doctor to see. And they need care, often right now, due to a motor vehicle or other personal injury incident that wasn’t their fault.

If California makes the economics of treating that patient too risky, doctors will make rational decisions: **“I don't accept Uber cases.”**

That is already the obvious escape valve.

But what happens if these provisions spread? Then it becomes: **“I don't accept PI patients.”**

The doctor survives. **The patient loses access to the quality care they need.**

That is why this cannot be viewed merely as a medical reimbursement issue.

It is an access-to-care issue.

And That Brings Me to the Greatest Reason to Act Now

Today SB 623 applies to a limited category of cases.

But the Legislature should consider what comes next.

If Uber has one set of protections, why wouldn't another rideshare or transportation company want them? Why wouldn't a commercial fleet? A delivery company? A municipality? An insurer? Other businesses facing tort exposure?

And eventually, California may face an unavoidable policy question: **Why should medical damages arising from an automobile accident be treated differently depending upon who happened to own or operate the vehicle?**

My concern is that the politically easiest answer will ultimately become: **Apply the SB 623 framework more broadly.**

Perhaps that never happens. I hope it doesn't in its current form.

Yet I can also see how a judge facing two identical lawsuits before the court not want to apply two differing standards, so applying the more restrictive one and forcing the loser to appeal and take up appellate court time and resources to address the issue.

It is sufficiently foreseeable that the Legislature should not wait to discover whether I am right.

Because if there are unintended consequences today, fi**x them while the universe of affected cases remains comparatively narrow.**

Once a framework becomes entrenched and then expanded, surgical correction becomes much harder.

California Can Lead With Better Tort Reform

California does not have to choose between: **Tort reform** and **patient access-to-care.**

Between: **Reasonable verdicts** and **reasonable provider compensation.**

Between: **Transportation businesses** and **independent physicians.**

Between: **Attorneys** and **medical providers.**

That is a false choice.

California can build something better.

Imagine a PI ecosystem where:

Providers treat only when medically necessary. Providers bill reasonably. Attorneys charge reasonable fees and properly protect their clients' interests. Funding companies receive reasonable returns for legitimate risk. Insurers promptly pay well-supported, ethically developed claims. Transportation companies are protected from artificially inflated verdicts. Referral relationships are transparent. Bad actors are targeted aggressively. And patients retain access to quality healthcare when they need it.

That should be the goal.

Not choosing winners and losers. Creating better behavior.

What I Am Asking the Legislature to Do

I respectfully ask members of both houses to initiate a focused review of SB 623 before any consideration is given to expanding its framework.

Bring everyone to the table.

Not just Uber. Not just the Legal Lobby. Not just large healthcare organizations.

Bring in the independent providers who actually treat these patients.

Chiropractors. Pain physicians. Physical therapists. Neurologists. Psychologists. Surgeons. Independent ASCs. Medical funding companies willing to operate responsibly. Patient advocates. Insurers. Transportation representatives. And attorneys representing both plaintiffs and defendants.

Then ask each stakeholder two questions: **What part of SB 623 legitimately protects you? … and … What narrowly tailored change could protect someone else without taking that protection away from you?**

That is how you find the surgical strike.

Don't Ask Anyone to Surrender Their Win

This is important politically.

Uber does not need to lose its legitimate protection against nuclear verdicts.

The Legal Lobby does not need to surrender legitimate client representation.

The Legislature does not need to admit SB 623 was a mistake.

Governor Newsom does not need to repudiate legislation he signed.

Medicine does not need immunity from accountability.

Everyone can keep the legitimate parts of their win.

We simply need to identify the provisions where the collateral damage outweighs the benefit and repair them.

That is not legislative failure. **That is good government.**

Laws are amended. Unintended consequences are corrected.

Experience provides information that wasn't available initially.

Strong policymakers do not defend every word of yesterday's legislation simply because they voted for it. They improve it.

Use a Scalpel Before Someone Reaches for a Sledgehammer

Members of the Legislature, SB 623 gives California an opportunity.

We can spend the coming years fighting. Medicine against Uber. Doctors against lawyers. Providers against insurers. Funding companies against repayment defaults. Ballot initiative after ballot initiative. Industry after industry asking for its own special protection.

Or we can recognize the trajectory now.

Sit everyone down. Identify the abuses everyone agrees should stop. Identify the protections that should remain. And surgically repair the few provisions that unnecessarily harm legitimate medical care.

Do it before SB 623 becomes entrenched.

Do it before providers simply stop taking these patients.

Do it before other industries demand identical treatment.

And most importantly: **Do it before today's rideshare law becomes tomorrow's rule for all California personal injury.**

You do not have to repeal SB 623. You do not have to reopen every political battle that produced it. You simply have to be willing to say: **We can make it better.**

I believe you can.

And California's independent medical practices … and the injured Californians they serve … need you to do it.

Reform the Abuse. Preserve the Value. Protect the Citizen-Patient.

And pursue the outcome every stakeholder should want:

Better Patient Outcomes.
Better Provider Outcomes.
Better Case Outcomes.
Better Claim Outcomes.

Respectfully,

Michael Coates
Michael Coates, Esq.
President, Personal Injury Made Easy

PS: I am willing to come to Sacramento, on my own dime, and sit with legislators, staff, healthcare organizations, transportation representatives, attorneys, providers, insurers, and funding companies to work through the Surgical Repair provision by provision. **The objective isn't to determine who won or lost SB 623. It is to make sure California gets the next version right, before there is a next version.**