Personal Injury Made Easy
Making Business Easier™

Dear Governor Newsom:

You wanted the ballot war between Uber and California's Legal Lobby resolved. It was.

A compromise was reached. The competing ballot fight ended. SB 623 became law.

I am not writing to ask you to undo that accomplishment. **I am asking you to help finish it.**

Because a compromise can accomplish its principal political objectives and still contain provisions that, upon closer examination, sweep more broadly than necessary and create unintended consequences for people who were not the principal combatants in the fight.

In this case, those people include California's independent physicians and medical providers … and ultimately the injured Californians who depend upon them for care.

My request is therefore narrow:

Support a Surgical Repair of SB 623 that preserves its legitimate tort-reform objectives while correcting provisions that unnecessarily threaten patient access, reasonable provider compensation, and legitimate healthcare financing.

And please do it now, while SB 623 remains limited in scope, rather than later if its framework is proposed for expansion to all California personal injury.

The Compromise Ended One Fight. It May Have Created Another.

Uber had legitimate concerns. So did California's plaintiffs' attorneys.

Uber wanted greater predictability surrounding tort exposure, medical specials, and extraordinary verdicts. The Legal Lobby wanted to protect its ability to represent injured Californians and opposed Uber's proposed restrictions on attorney contingency fees. You wanted the ballot war resolved. All understandable objectives.

But the resulting compromise quite adversely affected another stakeholder: **The independent medical provider who treats the patient.**

Who are they? Pain physicians. Chiropractors. Physical therapists. Neurologists. Psychologists. Orthopedic and spine surgeons. Independent surgical practices and ASCs. Imaging providers. And other independent healthcare professionals who treat injured Californians while often waiting months or years to be paid.

These providers were not merely an economic variable in somebody else's negotiation. **They are California businesses.**

They employ Californians. They pay California wages. They pay California rent. They absorb California's regulatory and compliance costs. They operate in one of the most expensive business environments in America.

And most importantly: **They heal California citizens.**

That deserves a second look.

Governor, This Is Ultimately a Consumer Issue

It would be easy to characterize this dispute as doctors arguing about their bills. I believe that would miss the most important issue.

The real question is: **Will an injured Californian continue to have access to a qualified quality provider willing to accept the financial risks associated with treating a PI patient?**

A physician does not have to accept these cases. A chiropractor does not have to. A physical therapist does not have to. A surgeon certainly does not have to perform a $50,000, $75,000, or $100,000+ procedure and then wait years hoping to be paid.

If the economics no longer make sense, providers have an easy solution: **"I don't accept rideshare cases."**

The practice survives. But where does the patient go?

And my greater concern is what happens next.

If SB 623's framework eventually expands: **"I don't accept PI patients."**

Again, the medical practice can protect itself. **The California consumer loses access.**

That makes SB 623 more than tort reform. More than a reimbursement issue. More than a dispute between doctors and lawyers.

It is potentially an access-to-care issue.

The State Should Not Make Doctors Become Banks

Consider how PI healthcare can actually work.

A patient is injured through no fault of their own. The patient may lack usable insurance. The deductible may be unaffordable. The appropriate specialist may be outside the network. The patient may need treatment now.

Yet the personal injury case may take: A year. Two years. Often longer.

An independent medical provider may agree to treat that patient today and wait until the case resolves.

During that entire period, the provider pays: Staff. Rent. Malpractice insurance. Equipment. Supplies. Technology. Taxes. Compliance. And all the other costs of operating a California medical practice.

Meanwhile, the provider assumes: Payment risk. Liability risk. Policy-limit risk. Settlement risk. Litigation delay. Case abandonment. Case defeat. And the likelihood that, after waiting years, the attorney will ask the provider to reduce the bill. Sometimes substantially and sometimes losing the entire bill.

That risk has economic value.

It does not justify unreasonable billing. But neither should government pretend the transaction is economically identical to a conventional insured medical visit paid promptly at a contracted rate.

This Is Where the Surgical Repair Begins

I am not asking you to eliminate FAIR Health from SB 623.

I am asking California to distinguish between two very different questions: **What should a jury be permitted to consider as evidence of medical expense? … and … What may an independent provider reasonably charge and ultimately recover for assuming the financial risks of lien-based care?**

If inflated medical specials are being used to improperly increase verdicts, solve that problem **at trial.**

Reasonable evidentiary restrictions can remain. Uber can retain meaningful protection against artificially inflated verdicts. But do not unnecessarily turn a rule governing courtroom evidence into a de facto restriction on the underlying healthcare economics.

Keep the reform where the problem exists.

That is Surgical Repair #1.

Put Legal Burdens Where the Knowledge Exists

SB 623 also seeks greater transparency surrounding referrals. Good.

Transparency should be supported. Improper financial relationships should be exposed. Kickbacks should be stopped.

But if an attorney or law firm sends Patient Smith to Dr. Jones, who knows the origin of that referral? **The law firm.**

The physician may know only that the patient arrived from that firm. The physician may not know which attorney initiated the referral, whether a case manager did it, whether another provider suggested the physician, whether a referral network was involved, or whether the patient requested the provider.

Why place a declaration burden under penalty of perjury on a physician for information the physician may not possess?

Place the principal obligation upon the party with actual knowledge.

Transparency remains. Accountability remains. The unnecessary burden on medicine does not.

That is Surgical Repair #2.

Protect Medical Funding—While Demanding Reasonable Economics

Governor, imagine an injured Californian who needs surgery. Not after the lawsuit. **Now.**

The patient cannot afford it. Insurance will not provide timely access.

And the qualified surgeon says: I will perform the medically necessary procedure, but I cannot personally finance $100,000 of care for the next three years.

That is reasonable. The surgeon is a healer. **The surgeon is not a bank.**

A responsible medical funding company can bridge that gap.

It can pay or acquire the receivable and assume the financial risk, allowing the patient to obtain medically necessary care.

That can be extraordinarily valuable.

But the funding industry must accept responsibility too. A legitimate business deserves a legitimate profit. Risk deserves compensation. Time has value. Capital has value. Uncertainty has value. Providing California citizens access to quality care when they need it has value.

But none of that should become justification for unreasonable returns detached from market reasonableness.

Allow reasonable profits. Attack unreasonable profiteering.

Require appropriate transparency. Regulate abuses. But preserve the mechanism that allows a California patient to obtain care the patient otherwise could not afford and a qualified specialist otherwise might not be willing to finance personally.

Again, separate: **What a jury gets to hear** … from … **whether the patient gets to receive care.**

That is Surgical Repair #3.

I Am Not Asking You to Protect Bad Medicine

This point is essential.

There are bad actors in personal injury medicine. **Go after them.**

Providers should treat only when medically necessary. Physicians should bill reasonably. Surgeons should never recommend or perform procedures they know are unnecessary. Chiropractors and therapists should not continue treatment merely because litigation remains open. Medical decisions should be based upon medicine, not the potential value of a lawsuit. Documentation should honestly tell the patient's injury, treatment, recovery, functional limitations, and pain-and-suffering journey. Improper financial relationships should be exposed.

Bad providers should not be protected by good providers.

Nor should bad attorneys be protected by good attorneys. Bad funding companies by responsible funding companies. Bad insurance practices by good insurers. Bad transportation actors by good transportation companies.

Accountability should apply to **everyone.**

That is the ethical ecosystem California should be trying to build.

Don't Solve One Industry's Problem by Giving the Burden to Another

This is where I believe SB 623 deserves another look.

If the problem is what juries do with medical bills, address jury evidence.

If the problem is attorney-originated referrals, place the disclosure obligation on attorneys.

If the problem is excessive funding returns, regulate excessive funding returns.

If the problem is unnecessary medical care, sanction unnecessary care.

Target the conduct.

Don't transfer the burden of solving it onto independent medicine merely because medical bills are involved. The independent medical practice is often the least financially powerful participant in the PI ecosystem.

Uber has enormous resources. Insurance companies have reserves. The Legal Lobby possesses tremendous political organization. Medical funding companies have capital.

But the independent physician?

That physician is often the person providing the service today and waiting for everyone else to resolve their dispute before being paid.

Don't make that physician carry everybody else's burden too.

There Is a California Business Issue Here Too

Your administration has repeatedly confronted the challenge of keeping California economically vibrant while maintaining the protections and standards that distinguish this state.

Independent medical practices are California small and midsized businesses.

When reimbursement declines while: Labor costs rise, rent rises, insurance rises, compliance costs rise, technology costs rise, supplies rise, and the overall cost of living and doing business in California rises,

Something eventually gives.

Something eventually gives.

Practices consolidate. Doctors sell. Doctors leave. Doctors refuse to come to California. Services disappear.

Or physicians simply stop accepting categories of patients that carry too much financial risk.

SB 623 should not inadvertently accelerate that trend.

A California physician should be able to provide excellent, medically necessary PI care, charge a defensible amount reflecting the actual economics and risks involved, and earn a reasonable profit.

There is nothing wrong with a healer also running a healthy business.

In fact, if we want quality healers to remain available to Californians, their practices have to remain economically viable.

The Greatest Concern Is What Happens After Rideshare

Governor, this is where I believe your leadership could matter most.

SB 623 currently applies within a defined rideshare context. But Uber now has protections other defendants do not.

What happens when others ask for them?

Another transportation company. A commercial fleet. A delivery service. A municipality. An insurer. A major corporation.

Eventually the argument becomes: **Why should two Californians with identical injuries be subject to different medical-damage rules simply because one was struck by an Uber driver and the other was not?**

That is a logical question.

And I fear the politically easiest answer may eventually be: **Expand SB 623.**

Perhaps that never occurs.

And if a Judge has two identical personal injury lawsuits it is overseeing, and the only difference is one is a rideshare app case, will the Judge apply two different standards or apply the most restrictive and require the defendant to appeal which takes up time and resources?

If there are provisions in SB 623 that unnecessarily harm patient access or independent medicine, shouldn't California fix them **before** considering whether they should govern millions of additional PI claims?

That is simply prudent governance.

You Don't Have to Undo Your Compromise

This is why the Surgical Strike should be politically achievable.

Governor, you don't have to say: **SB 623 was a mistake.**

The Legislature doesn't have to say it. Uber doesn't have to surrender its legitimate tort-reform protections. The Legal Lobby doesn't have to surrender its legitimate interests. CMA doesn't have to repudiate its participation.

Nobody needs to lose face.

Instead say:

SB 623 resolved an extraordinary political dispute and addressed legitimate concerns. Now that the law is enacted, we have identified several areas where targeted refinement can better protect patient access and independent medicine without undermining the agreement's principal objectives.

That is not political defeat. **That is leadership.**

Imagine California Leading the Country With Better Tort Reform

There is a much bigger opportunity here.

Instead of California becoming the model for tort reform that simply transfers burdens between powerful industries, become the model for **ethical tort reform.**

Build a system where: Providers treat only when medically necessary. Providers bill reasonably. Attorneys charge reasonable fees and put clients first. Funding companies earn reasonable returns for legitimate risk. Insurers quickly and fairly resolve well-supported claims. Transportation companies are protected from artificial verdict inflation. Referral relationships are transparent. Unethical actors are identified and punished. And patients receive quality healthcare when they need it.

That is a better system.

Everyone gives something. Everyone gets something. And everyone becomes more accountable.

My Ask of You, Governor Newsom

I respectfully ask you to support a focused review and Surgical Repair of SB 623 before its framework is ever considered for broader application.

Bring the stakeholders together again.

But broaden the table this time.

Uber should be there. The Legal Lobby should be there. CMA should be there. But so should the independent medical practices actually treating PI patients. Also responsible medical funding companies. Insurers. Patient access-to-care representatives. Other transportation stakeholders.

Ask each: **What legitimate protection did you receive?**

Then ask: **What narrowly tailored change could protect another stakeholder without taking that legitimate protection away from you?**

That is how compromise evolves into better policy.

That is how you find the Surgical Strike.

Finish What You Helped Start

Governor Newsom, you helped avoid what promised to be an extraordinarily expensive and divisive ballot fight.

Now there is an opportunity to make the resulting compromise better. Not by reopening the war. By preventing the next one.

Keep what works. Fix what went too far. Target bad actors instead of entire professions. Protect legitimate businesses instead of making them collateral damage.

And above all: **Protect the California citizen-patient.**

Because the easiest outcome for doctors is to stop accepting difficult cases.

The easiest outcome for surgeons is to refuse to finance expensive procedures.

The easiest outcome for funding companies is to take their capital somewhere else.

The easiest outcome for everyone may be to retreat.

But the California patient cannot retreat from being injured. They still need care. They still need quality providers.

And sometimes they need those providers **right now**, regardless of whether their lawsuit will resolve next month or three years from now.

California can preserve reasonable tort reform without sacrificing that access.

You don't need to undo SB 623. **You merely need to help make it better.**

And you have the ability to bring the people necessary to the table to do exactly that.

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: Governor, I make the same offer to you that I have made to others: I will come to Sacramento on my own dime and sit with your team, legislators, attorneys, transportation representatives, physicians, providers, insurers, and funding companies to work through the Surgical Repair provision by provision. **You helped bring the parties together to end one war. I am asking you to help bring them together once more, so we can prevent the next one.**