

April 23, 2007

Justices of the Supreme Court of Arizona  
State of Arizona  
1501 West Washington  
Phoenix, Arizona 85007

**Re: Comment of Proposed Amendment to Rule 75(a), Arizona Rules of Civil Procedure (Opposition by the Arizona Trial Lawyers Association)**

Dear Justices:

I have been a licensed attorney in Arizona since 1998. My practice is limited to representing claimants in personal injury and wrongful death claims and family law matters. I have been a member of the Arizona Trial Lawyers Association ("AzTLA") since 1998 as well.

On behalf of AzTLA, I support your pending effort to improve the arbitration process. However, I oppose the proposed amendments to Rule 75(a), Arizona Rules of Civil Procedure, which I understand would require in all arbitration cases that personal injury plaintiffs voluntarily waive their rights to privacy and privilege as to their medical records by requiring a mandatory HIPAA-compliant medical authorization that could reveal all of plaintiff's medical records. Existing Arizona law relating to the physician/patient privilege, as discussed by this Court in *Bain v. Superior Court*, 148 Ariz. 331 at 334, 712 P.2d 824 at 8217 (1996), is that a personal injury plaintiff impliedly waives the physician/patient privilege only to the extent that plaintiff "places a particular medical condition at issue by means of a claim or affirmative defense." This existing rule is fair and reasonable. It protects the plaintiff's right to privacy as to medical and psychological conditions, treatment, and history which have nothing to do with the claims or affirmative defenses in litigation relating to personal injuries. AzTLA is against the automatic waiver of these important rights of our clients in future arbitration level tort cases.

As you may suspect, it is common practice for defense counsel to uniformly seek waivers of HIPAA and the physician/patient privilege in order to obtain ALL the plaintiff's medical records, as far back as is practical, in order to obtain as much information as possible regardless of privilege, the right to privacy, etc. The result of the proposed "automatic waiver" arbitration rule would be that in most cases, an innocent tort victim's entire medical

history for the last five, ten or more years can and will be learned by a defendant whose only “right” to that information is that said defendant (and his/her counsel) is involved in defending a claim caused by said defendant’s [alleged] negligent and/or intentional misconduct. That should not normally be the only basis by which defendant becomes entitled to obtain irrelevant personal, private, and currently privileged information relating to, for example, sexually transmitted diseases, an embarrassing physical condition or deformity in a different area of the body than (and unrelated to) the area of the claimed injury, an unrelated crime that should be privileged under the 5<sup>th</sup> Amendment, marital infidelity, drug use, etc.

We understand that the proposed changes to Rule 75(a) would “streamline” discovery in arbitration proceedings and thereby serve the often legitimate economic interests of tort defendants (and with that, the insurance defense industry) and would also promote judicial economy. AzTLA understands the strong financial interests of tort defendants (and the insurance defense industry that defends and indemnifies them) in wanting to simplify and automate the defense of arbitration-level personal injury claims by obtaining broader medical records discovery with less work.

We all understand that, by taking away the personal injury claimant’s physician/patient privilege and HIPAA right to privacy, plus other potential privileges (e.g., spousal privilege may be implicated in medical records, etc.), many meritorious claims will never be asserted due to the foreseeable embarrassment, humiliation, and emotional pain it would cause. AzTLA asks: “Do the elements of greater economy, efficiency, and expediency outweigh the fundamental privilege and privacy rights of Arizona citizens, in the context of the civil justice system?” The answer in connection with the proposed change to Rule 75(a) should be: “No, at least not automatically.” It is simply wrong to force personal injury claimants to give up so much of their recognized rights under current law to privacy, the physician/patient privilege, other privileges, and HIPAA safeguards in order to assert any type or kind of personal injury claim.

I feel confident that you Justices of the Supreme Court of Arizona, having established a long and respected body of law in connection with the physician/patient privilege, etc., as evidenced by such cases as *Bain v. Superior Court*, supra, will not override this proud history of individual rights and civil justice for the sake of convenience, expedience, simplification, and insurer profits at the expense of protecting the valid traditional rights and privileges of Arizona consumers and families. There is simply no sufficient justification for such an overreaching, overbroad, significant, and harmful change in the law of privacy and privilege by the proposed change to Rule 75(a).

On behalf of the Arizona Trial Lawyers Association, representing Arizona consumers and families in the quest for civil justice in every type of civil dispute that comes to Court, we request that no HIPAA-compliant medical authorizations be automatically required of personal injury arbitration claimants. The civil justice system relating to tort claims is not

broken. Rule 26.1 works very well in nearly all cases. When there is a legitimate concern about failure of disclosure, the A.R.S. § 12-2282 subpoena procedure (complete with potential objections to subpoenas, and “in camera” inspections of evidence by the trial-level Court to determine the appropriateness of what are usually very limited redactions (“black outs”) to protect privilege in short portions of a small number of pages of the often voluminous records, all of which are normally disclosed, with the brief passages that are “blacked out” to be identified by a “privilege log” pursuant to Rule 26.1(f), Ariz. R. Civ. P., making the potential “in camera” inspection by the trial level Judge quick and easy), is a good, effective, and reasonable system. It allows for the possibility of protecting privacy and/or privilege. To throw out this carefully reasoned and well-balanced system for producing personal and private medical records information in litigation while still maintaining the right to claim privilege would be like “throwing out the baby with the bathwater.” It is simply a bad idea which would cause unnecessary emotional hardship to the public and would incidentally and unfairly tip the scales of justice in favor of the tortfeasor and the defense.

The Health Insurance Portability and Accountability Act, Pub.L. No. 104 – 191 (1996) (“HIPAA”), is a federal law which should not be tampered with at the state level because it will produce much unnecessary litigation, spilling Arizona Superior Court disputes into the appellate and/or federal system, etc. The problems with the proposed changes to Rule 75(a) simply have not been fully considered by its proponents, who should see that the federal right to privacy guaranteed under HIPAA cannot properly be overridden by way of a change in the Arizona Rules of Civil Procedure, and the proposed mandatory waiver of HIPAA rights as a condition of asserting an arbitration level tort claim in Arizona will be controversial at best.

That the proposed automatic HIPAA-compliant waiver of privacy and privilege rights could foreseeably do significant harm is illustrated by the language in *Duquette v. Superior Court*, 161 Ariz. 269 at 275-277, 778 P.2d 634 at 631-633 (App. 1989), describing the mischief that may ensue when defense counsel are permitted ex parte contact with plaintiff’s treating physicians. *Duquette* states that the “overriding public policy considerations [which] justify a prohibition on *ex parte* communications between a plaintiff’s treating physician and defense attorneys” include:

1. The physician-patient privilege is a confidential one involving a public expectation of privacy and confidentiality.
2. The fiduciary relationship between the physician and patient requires the physician to exercise “the utmost good faith” [citation omitted]. Discussion of the patient’s confidences other than in compliance with court-authorized discovery would be inconsistent with this fiduciary relationship [citations omitted].
3. “*Ex parte* communications between defense attorneys and plaintiffs’ treating physicians would be destructive to both the confidential and fiduciary natures of

- the physician-patient relationship that have been recognized by statutory and case law.”
4. The pressure brought to bear on the physician when he or she is faced with a request for an *ex parte* interview by a defense attorney is another consideration. “[T]he physician might feel compelled to participate in the *ex parte* interview because the insurer [for defendant] may also insure the physician witness.”
  5. “A physician [who] allows [an *ex parte* interview] embarks, perhaps unknowingly, on a course which may involve a breach of professional ethics and potential liability.”

*Duquette* concludes the analysis on these issues by stating that “we believe that resolution of any dispute over the scope of the [implied] waiver of the physician-patient privilege should be made in an adversarial as opposed to an *ex parte* setting.” 161 Ariz. at 177.

The proposed automatic waiver of HIPAA rights and the physician-patient privilege will result in many negative consequences, as *Duquette* indicates, not all of which are fully foreseeable, but all of which AzTLA opposes for our clients. In addition, the treating physicians should not be put into the confusing and conflicting position that will predictably result from potential (and likely) *ex parte* contact.

In conclusion, AzTLA agrees with arbitration procedural changes designed to shorten, simplify, and economize arbitration for all concerned. However, our Arizona consumer and family clients should not be required to pay such a high “tariff” for the right to claim tort damages by being forced to automatically waive other important rights. AzTLA suggests that this Court appoint a joint committee of pro-plaintiff and pro-defense lawyers to try to work out Rule 75 amendments that can shorten, simplify, and economize arbitration for everyone without automatic loss of our valuable civil rights. AzTLA would actively support such a balanced approach in developing improvements to the arbitration process in contrast to the one-sided and inherently unfair proposal that is pending, because our future clients would benefit from such arbitration procedural changes as well. We offer such volunteers from among our 650 members as you may wish to appoint to work on such a proposal, along with appropriate members of the tort/insurance defense bar and/or the judiciary as selected by this Court. Working together, we are confident that we can offer a better solution than the pending Rule 75(a) proposal requiring automatic waiver of rights.

Sincerely,

**CANTOR SIMON PLLC**

Craig J. Simon

CJS/sr