GRAND PARK LAW GROUP
A PROFESSIONAL CORPORATION

WESTSIDE TOWERS
11835 W. Olympic Boulevard #870E
Los Angeles, California 90064

O:+1 888.629.4754
F: +1 310.900.0805

INSIGHT · PERSONAL INJURY

Howell v. Hamilton Meats: How California Caps Recoverable Medical Bills (and Defense Tactics That Try to Push the Cap Lower)

Grand Park Law Group · April 18, 2026 · 9 min read



Under Howell v. Hamilton Meats and its progeny, California limits past medical damages to amounts actually paid or incurred, creating key tactical battlegrounds for damages valuation.

I. The Howell Rule: Amount Paid or Incurred

Howell v. Hamilton Meats & Provisions, Inc., 52 Cal.4th 541 (2011), held that a plaintiff's recoverable past medical damages are limited to the amount actually paid or incurred for medical treatment, not the full "billed" amount. The Supreme Court reasoned that the difference between the billed amount and the accepted amount — the "negotiated discount" — was never a real economic loss to the plaintiff.

Before *Howell*, the collateral source rule prohibited defendants from introducing evidence that a plaintiff's medical bills had been paid or reduced by insurance. *Howell* did not eliminate the collateral source rule, but it redefined the recoverable amount itself. The key distinction: evidence that bills were *paid by insurance* remains inadmissible; but evidence of what the provider *actually accepted as full payment* is admissible because it defines the measure of damages.

II. The Pebley Lien Problem

Pebley v. Santa Clara Organics, 22 Cal.App.5th 1266 (2018), addressed a gap in *Howell*: what happens when the plaintiff uses a lien-based provider? Lien-based treatment — common in personal injury cases — means the provider agrees to defer payment until case resolution, typically at

full billed rates. Because no insurer has negotiated a discount, the "amount incurred" is the full billed amount.

Pebley held that the collateral source rule bars defendants from arguing that the plaintiff *could have* used insurance instead of a lien provider. If the plaintiff chose lien-based care, the billed amount is the recoverable amount — *Howell*'s cap does not apply because no discount was actually given.

III. Defense Tactics to Push the Cap Lower

Fifteen years of post-*Howell* litigation have produced a playbook of defense strategies. The most common include:

First, *Howell* motions in limine to exclude the billed amount entirely, arguing that only the paid-or-accepted amount is admissible. Second, challenging lien-based billing as unreasonable, using expert testimony to argue that the lien provider's charges exceed the "reasonable value" of services. Third, requesting *Howell* hearings to determine the threshold amount before the jury hears the number.

Plaintiff's counsel must be prepared to demonstrate the reasonableness of lien-based charges, typically through treating-physician testimony or healthcare economist experts, and to invoke *Pebley* to protect the full billed amount in lien cases.

IV. Future Medical Damages: A Separate Analysis

Critically, *Howell* applies only to past medical damages. Future medical damages are measured by the reasonable value of future care, not the amount a particular insurer would negotiate. The distinction matters because defendants increasingly try to extend *Howell*'s logic to future damages, arguing that anticipated insurance discounts should be applied prospectively.

California courts have consistently rejected this extension. The future-damages measure remains the reasonable cost of necessary future care, which the jury determines based on expert testimony about treatment plans, life-care plans, and prevailing medical costs.

Practice	Personal Injury
Topics	Medical Damages · Howell · Collateral Source
Publication	Personal Injury · April 18, 2026

Available online at grandparklawgroup.com/insights/articles/howell-hamilton-meats-medical-bills-cap-california. This publication is provided for general information and is not legal advice.
© 2026 Grand Park Law Group, A.P.C. Attorney Advertising.