Drawing the Line on "What If" Damages: New Jersey Court Limits Future Medical Expense Claims

Terrell v. Chitra, No. A-1946-23, 2026 LX 83895 (App. Div. Jan. 16, 2026)

Future medical expenses are always a concern in personal injury claims where permanent injury is alleged. On January 16, 2026, the Appellate Division vacated a $1.3 million verdict after concluding that speculative future medical expenses were improperly admitted at trial. Terrell v. Chitra, No. A-1946-23, 2026 LX 83895 (App. Div. Jan. 16, 2026). The court also reaffirmed that projected costs potentially covered by available personal injury protection (PIP) benefits are inadmissible and highlighted the continued importance of enforcing statutory limits to manage trial exposure.

This matter arose from a motor vehicle accident in Montclair, New Jersey. Liability was admitted, and the case proceeded to trial solely on damages. The plaintiff sought compensation for pain and suffering, future medical expenses related to a potential spinal surgery, and future lost wages. At trial, the court allowed the plaintiff's medical expert to testify regarding anticipated future surgery costs of more than $225,000. The jury returned a verdict of approximately $1.3 million, including $300,000 for future medical expenses.

On appeal, the defendant argued that evidence of speculative future medical expenses was improperly admitted and that claims for future lost wages were unsupported. The Appellate Division ultimately agreed. With respect to future medical expenses, the court reiterated that such damages are recoverable only when supported by competent evidence establishing a reasonable probability that the treatment will occur. The court vacated the damages award, finding that the improperly admitted evidence could have influenced the jury's assessment of pain and suffering, and remanded the case for a new damages trial without speculative claims.

The court emphasized that future medical expenses are recoverable only when supported by competent evidence demonstrating a reasonable probability that the treatment will occur. Here, the plaintiff had previously testified during her deposition that she declined the recommended spinal surgery. At trial, however, she suggested she might consider undergoing the procedure. The Appellate Division concluded that this shift in plaintiff's testimony, without additional support, was insufficient to establish reasonable medical certainty and rendered the projected surgical costs speculative.

The court also noted that under New Jersey's Personal Injury Protection statute, N.J.S.A. 39:6A-12, medical expenses potentially covered by PIP cannot be admitted at trial, thus reinforcing the statutory bar against introducing inadmissible evidence. Similarly, claims for future lost wages require credible expert support showing both a causal connection to the accident and a reliable method for calculating the loss. Therefore, unsupported or subjective claims are properly excluded, as they were in Terrell.

Significantly, the Appellate Division vacated the entire damages award, not merely the portion attributed to future medical expenses. The court recognized that evidence of substantial future medical costs could improperly influence a jury's assessment of pain and suffering damages. Therefore, because the inadmissible evidence may have tainted the jury's overall evaluation of damages, a new trial was required. On remand, the court expressly directed that evidence of future medical expenses and future lost wages would not be admissible.

Key Takeaways

Achieving results similar to those in Terrell requires early motions in limine to bar speculative future medical or wage claims, a thorough review of deposition testimony, and expert reports confirming the probability and cost of any anticipated medical treatments. Terrell v. Chitra reinforces that future medical expenses must be supported by a reasonable probability that the treatment will occur. This applies particularly if the plaintiff has previously declined recommended care or if costs could be covered by PIP benefits. Further, future lost wage claims require credible expert support to establish causation and a reliable method for calculating potential loss. Moreover, any purely subjective or unsupported claims are likely to be excluded.

Under the collateral source rule, a defendant cannot reduce damages based on compensation the plaintiff receives from an independent source, and the jury is prohibited from considering such benefits. In New Jersey, this extends to PIP benefits, which are kept from the jury's view, while post-trial mechanisms prevent double recovery. Separate from the reasonable-probability requirement addressed in Terrell, New Jersey's PIP statute independently limits the medical expense evidence that may be presented to a jury. Even where PIP benefits have been utilized but not exhausted, N.J.S.A. 39:6A-12 bars the presentation of PIP-paid or PIP-payable medical expenses to the jury, allowing only evidence of the injury and treatment itself, with any related costs addressed through post-verdict adjustments. When combined with careful challenges to any speculative or unsupported evidence, this approach helps to keep the jury focused on actual, provable damages, helps to prevent inflated awards, and gives claims and litigation teams a practical strategy for managing high-exposure auto cases.

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