

Representative Mike K. McKell proposes the following substitute bill:

HOSPITAL LIEN LAW AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike K. McKell

Senate Sponsor: John L. Valentine

LONG TITLE

General Description:

This bill modifies the Hospital Lien Law.

Highlighted Provisions:

This bill:

- ▶ subject to certain exceptions, prohibits a hospital from asserting a lien upon a judgment, settlement, or compromise relating to an accident if treatment for the accident is covered by workers' compensation or private health insurance; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

38-7-1, as last amended by Laws of Utah 1996, Chapter 167

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **38-7-1** is amended to read:



26 **38-7-1. Lien of hospital on judgment, settlement, or compromise in certain**
27 **accident cases authorized.**

28 (1) ~~[Every]~~ (a) Except as provided in Subsection (3), a hospital located within the state
29 that furnishes emergency, medical, or other service to a patient injured by reason of an accident
30 ~~[not covered by workmen's compensation]~~ is entitled to assert a lien upon that portion of the
31 judgment, settlement, or compromise going or belonging to [such] the patient, or, in the case of
32 death, to [such] the patient's heirs or personal representatives, less the amount paid by the
33 patient, or on behalf of [such] the patient[;] by heirs or personal representatives, for [attorney's]
34 attorney fees, court costs, and other necessary expenses incidental to obtaining the judgment,
35 settlement, or compromise[; provided, that no].

36 (b) No reduction of the asserted lien amount is allowed other than the amount paid by
37 the patient, or [such] the patient's heirs, or personal representatives for [attorney's] attorney
38 fees, court costs, and other necessary expenses incidental to litigation [is allowed], unless
39 otherwise agreed to in writing by the lien claimant.

40 (c) ~~The hospital lien[; however, shall]~~ does not apply to [any] a judgment, settlement,
41 or compromise where the amount is \$100 or less. [This subsection shall apply to any lien on
42 file in the district court of the county on the effective date of this act. Liens on file with the
43 office of the county clerk shall be transferred to the respective county district court on May 1,
44 1996.]

45 (2) ~~A hospital [lien may be filed upon damages recovered, or to be recovered, either as~~
46 ~~a result of a judgment, or upon a contract of settlement or compromise,]~~ may file a lien
47 described in Subsection (1) for the amount of the reasonable, usual, and necessary hospital
48 charges for treatment, care, and maintenance of the injured party in the hospital up to the date
49 of payment of the damages.

50 (3) (a) Except as provided in Subsection (3)(b), a hospital may not assert a lien under
51 Subsection (1) if the services provided by the hospital are covered by workers' compensation or
52 private health insurance.

53 (b) (i) A hospital that provides a service described in Subsection (3)(a) may assert a
54 lien under Subsection (1) if:

55 (A) the private health insurer denies coverage; or

56 (B) the private health insurer does not pay the hospital within 180 days after the day on

57 which the hospital bills the private health insurer.

58 (ii) A lien asserted under Subsection (3)(b)(i)(B) shall be withdrawn when the private
59 health insurer pays the contracted amount, or, in the event there is no contract, the amount
60 agreed to by the private health insurer and the hospital for the service rendered.

61 (iii) A hospital that provides a service described in Subsection (3)(a) may assert a lien
62 under Subsection (1) for a co-payment or deductible owed by the patient if the amount of the
63 co-payment or deductible conforms with any contractual discount provided by the hospital to
64 the insurer.