HOSPITAL LIEN LAW AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike K. McKell

Senate Sponsor: ____________

LONG TITLE

General Description:

This bill amends a provision related to hospital liens.

Highlighted Provisions:

This bill:
- provides that a hospital that provides medical care to a patient in an emergency room may assert a lien; and
- limits the amount of a hospital lien to an amount equal to 50% of a patient's liability insurance policy limit.

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 2013, Chapter 273

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

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

38-7-1. Lien of hospital on judgment, settlement, or compromise in certain accident cases authorized.
(1) (a) Except as provided in Subsection (3), a hospital located within the state that furnishes medical care, in an emergency room, to a patient injured by reason of an accident is entitled to assert a lien upon that portion of the judgment, settlement, or compromise going or belonging to the patient, or, in the case of death, to the patient's heirs or personal representatives, less the amount paid by the patient, or on behalf of the patient by heirs or personal representatives, for attorney fees, court costs, and other necessary expenses incidental to obtaining the judgment, settlement, or compromise.

(b) Except as described in Subsections (1)(c) and (1)(d), no reduction of the asserted lien amount is allowed other than the amount paid by the patient, or the patient's heirs, or personal representatives for attorney fees, court costs, and other necessary expenses incidental to litigation, unless otherwise agreed to in writing by the lien claimant.

(c) The hospital lien does not apply to a judgment, settlement, or compromise where the amount is $100 or less.

(d) A hospital may not assert a lien described in Subsection (1)(a) in an amount greater than 50% of the patient's liability insurance policy limit.

(2) A hospital may file a lien described in Subsection (1) for the amount of the reasonable, usual, and necessary hospital charges for treatment, care, and maintenance of the injured party in the hospital up to the date of payment of the damages.

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

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

(A) the private health insurer denies coverage; or

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

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

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

Legislative Review Note
Office of Legislative Research and General Counsel