

HOSPITAL LIEN AMENDMENTS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen H. Urquhart

Senate Sponsor: _____

LONG TITLE**General Description:**

This bill makes changes to hospital liens.

Highlighted Provisions:

This bill:

- ▶ reduces the amount that may be claimed for a hospital lien by the hospital's proportionate share of attorney fees and other costs;
- ▶ increases the minimum judgment against which a hospital lien may be filed from \$100 to \$1,000; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

ENACTS:

38-7-1.1, Utah Code Annotated 1953

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) As used in this section and Section 38-7-1.1, "hospital lien" means a lien filed under Subsection (2).

~~[(1)]~~ (2) (a) Every hospital located within the state that furnishes emergency, medical, or other service to a patient injured by reason of an accident ~~[not covered by workmen's compensation is entitled to]~~ may assert a lien upon that portion of the judgment, settlement, or compromise ~~[going or]~~ belonging to ~~[such]~~ the patient, or, in the case of death, to ~~[such]~~ the patient's heirs or personal representatives, less the amount paid by the patient, or on behalf of ~~[such]~~ the patient~~;~~ by heirs or personal representatives, for ~~[attorney's]~~ attorney fees, court costs, and other necessary expenses incidental to obtaining the judgment, settlement, or compromise~~;~~ provided, that.

(b) Other than a reduction in a judgment, settlement, or compromise under Section 38-7-1.1, no reduction of the asserted lien amount ~~[other than the amount paid by the patient, or such patient's heirs, or personal representatives for attorney's fees, court costs, and other necessary expenses incidental to litigation]~~ is allowed~~;~~ unless otherwise agreed to in writing by the lien claimant. The.

(c) A hospital lien~~;~~ however, shall does not apply to any judgment, settlement, or compromise where the amount is ~~[\$100]~~ \$1,000 or less.

(d) This ~~[subsection shall apply]~~ Subsection (2) applies to any hospital lien on file in the district court of the county on ~~[the effective date of this act. Liens on file with the office of the county clerk shall be transferred to the respective county district court on May 1, 1996]~~ or after March 22, 1997.

~~[(2) A]~~ (3) Notwithstanding Subsection (2), a hospital lien may be filed ~~[upon damages recovered, or to be recovered, either as a result of a judgment, or upon a contract of settlement or compromise;]~~ under this section for the amount of the reasonable, usual, and necessary hospital charges for treatment, care, and maintenance of the ~~[injured party]~~ patient in the hospital up to the date of payment of the damages~~;~~ only if, at the time of treatment, the patient did not have:

(a) accident and health insurance, as defined in Section 31A-1-301; or

(b) workers' compensation under Title 34A, Chapter 2, Workers' Compensation Act.

Section 2. Section **38-7-1.1** is enacted to read:

38-7-1.1. Reduction in a judgment based on hospital lien.

(1) For the purpose of this section, "cost of obtaining the judgment, settlement, or compromise":

(a) includes court costs, necessary expenses incidental to obtaining the judgment, settlement, or compromise, and attorney fees; and

(b) refers to the judgment, settlement, or compromise to which the hospital lien is attached.

(2) Before payment of a hospital lien, the amount of the hospital lien shall be reduced by the amount of the cost of obtaining the judgment, settlement, or compromise that is attributable to the lien holder as provided in Subsection (3).

(3) The cost of obtaining a judgment, settlement, or compromise attributable to a lien claimant is calculated by:

(a) determining the percentage of the judgment, settlement, or compromise represented by the amount claimed in the hospital lien; and

(b) multiplying the cost of obtaining the judgment, settlement, or compromise by the percentage identified in Subsection (3)(a).

Legislative Review Note

as of 1-24-07 10:51 AM

Office of Legislative Research and General Counsel

H.B. 345 - Hospital Lien Amendments

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, or local governments. Hospital could see some reduced revenues involving liens in a collection process.

1/30/2007, 11:43:59 AM, Lead Analyst: Eckersley, S.

Office of the Legislative Fiscal Analyst