

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.



28 (1) (a) Except as provided in Subsection (3), a hospital located within the state that
29 furnishes [~~emergency, medical, or other service~~] medical care, in an emergency room, to a
30 patient injured by reason of an accident is entitled to assert a lien upon that portion of the
31 judgment, settlement, or compromise going or belonging to the patient, or, in the case of death,
32 to the patient's heirs or personal representatives, less the amount paid by the patient, or on
33 behalf of the patient by heirs or personal representatives, for attorney fees, court costs, and
34 other necessary expenses incidental to obtaining the judgment, settlement, or compromise.

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

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

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

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

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

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

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

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

54 (ii) A lien asserted under Subsection (3)(b)(i)(B) shall be withdrawn when the private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

57 (iii) A hospital that provides a service described in Subsection (3)(a) may assert a lien
58 under Subsection (1) for a copayment or deductible owed by the patient if the amount of the

59 copayment or deductible conforms with any contractual discount provided by the hospital to
60 the insurer.

Legislative Review Note
Office of Legislative Research and General Counsel