



House Republican Staff Analysis

Bill: HF 540
Committee: Judiciary
Date: 3/14/2011
Member: Rep. Kaufmann
Staff: Amanda Freel (1-5230)

Summary

This bill creates a lien for health care professionals. This lien allows them to receive payment from a liable third party.

Summary of Action

- Committee 3/1/2011 (13-8)
 - Passed House 3/15/11 (70-25)
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Section-by-Section Analysis

Section I Health Care Professional Lien Act Created (All New Sections)

Section II Definitions

A health care professional is defined
(MD, DO, DC, DDS, ARNP, PA, PT)
Health care professional who renders any service in treatment, care or maintenance (defined in code)

Section III Lien Created

1. A health care professional who treats an injured patient has a lien upon all claims and causes of action of the injured patient for the amount of the charge if:
 - a. Patients injuries are due to an accident or intentional third party act (not covered under workers compensation)
 - b. Either of the following
 - i. Patient does not have health insurance
 - ii. Health insurance has denied payment and health care professional does not have an agreement with the insurance carrier that would bar payment.
2. Patient or legal representative must notify health care professional that injuries were sustained in an accident or an intention act by a third party.

Section IV Written Notice of Lien

Lien is not effective unless served in writing with listed requirements.

Section V Lien Payments

Payments made directly to the health care professional

Section VI Items to Which Lien Attaches-Enforcement

1. Attaches to any- verdict, judgment award, settlement, or compromise secured by injured patient. If the payments are made over time, the lien must be paid before any extended payment plan is established.
2. Settlement made by patient shall not discharge the lien unless:
 - a. Settlement also provides for the payment and discharge of the lien
 - b. Written release or waiver of any claim of lien signed by health care professional and:
 - i. Written release is filed in court
 - ii. Written release is delivered by certified letter if no court action has been started against person responsible for injured patient's damages.
3. After the lien has been filed, if the owing party pays the injured party without paying the healthcare providers lien first, the health care provider has one year to collect the lien amount from the party who made the payment.
 - a. In any action filed in this subsection, the health care professional can recover reasonable attorney fees.