CHAPTER 582

HOSPITAL LIEN

Referred to in §602.8102(82)

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582.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. *"Health plan"* means an individual or group plan that provides, or pays the costs of, medical care as that term is defined in the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 and regulations promulgated thereunder.

2. *"Hospital"* means a public or private institution licensed pursuant to chapter 135B.

3. *"Provider agreement"* means a contract, understanding, or arrangement made by an association, corporation, county, municipal corporation, or other institution maintaining a hospital in the state, with any health plan or other entity for the provision or payment of health care services.

2007 Acts, ch 154, §1; 2011 Acts, ch 34, §132

582.1A Nature of lien.

1. Every association, corporation, county, municipal corporation, or other institution maintaining a hospital in the state, which shall furnish medical or other service to any patient injured by reason of an accident not covered by the workers' compensation Act, shall, if such injured party shall assert or maintain a claim against another for damages on account of such injuries, have a lien upon that part going or belonging to such patient of any recovery or sum had or collected or to be collected by such patient, or by the patient's heirs or personal representatives in the case of the patient's death, whether by judgment or by settlement or compromise to the amount of the reasonable and customary charges of such hospital for the treatment, care, and maintenance of such patient in such hospital up to the date of payment of such damages, except as provided in subsection 2.

2. If a patient provides proof of insurance coverage under a health plan within thirty days of the patient's discharge from a hospital, the hospital shall submit all charges to the patient's health plan prior to filing the notice of the lien pursuant to section 582.2. The patient's health plan shall not deny payment for hospital services received on the basis that a third party or other insurance carrier is responsible for the patient's injuries. If the health plan denies payment for any other reason, the health plan shall nonetheless provide the hospital and the patient with a statement detailing the amount the health plan would have paid for the hospital services provided and the amount the patient would have been responsible for had the claim not been denied. In such a case, the amount of the lien shall be limited to the amount the hospital would have received if such charges were covered by the patient's health plan. A health plan's failure to provide a statement shall not affect the limitations on a hospital lien pursuant to this section. This subsection shall not prohibit a hospital from filing notice of a lien pursuant to section 582.2 for the amount owed to the hospital due to patient responsibility including but not limited to deductibles, copayments, and coinsurance.

3. If at any time subsequent to the filing of the notice of the lien a hospital receives health plan information regarding a patient, the hospital shall not be required to withdraw notice of the lien but shall submit the hospital's charges to the health plan. In such a case, the amount of the hospital's lien shall be limited pursuant to subsection 2.

4. The lien shall not in any way prejudice or interfere with any lien or contract which may be made by such patient or the patient's heirs or personal representatives with any attorney or attorneys for handling the claim on behalf of such patient, the patient's heirs, or personal representatives; provided, further, that the lien shall not be applied or considered valid against a patient covered under the workers' compensation Act pursuant to chapters 85, 85A, and 85B.

5. A hospital that recovers from a judgment, verdict, or settlement pursuant to this chapter shall be responsible for the pro rata share of the legal and administrative expenses incurred in obtaining the judgment, verdict, or settlement.

[C35, §10347-f5; C39, §**10347.14;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §582.1]
2007 Acts, ch 154, §2
CS2007, §582.1A
Referred to in **§582.3**

582.2 Written notice of lien.

No such lien shall be effective, however, unless a written notice containing the name and address of the injured person, the date of the accident, the name and location of the hospital, and the name of the person or persons, firm or firms, corporation or corporations alleged to be liable to the injured party for the injuries received, shall be filed in the office of the clerk of the district court of the county in which such hospital is located, prior to the payment of any moneys to such injured person, the person's attorneys or legal representative, as compensation for such injuries; nor unless the hospital shall also mail, postage prepaid, a copy of such notice with a statement of the date of filing thereof to the person or persons, firm or firms, corporation or corporations alleged to be liable to the injured party for the injuries sustained prior to the payment of any moneys to such injured person, the person's attorneys or legal representative, as compensation for such injuries. Such hospital shall mail a copy of such notice to any insurance carrier which has insured such person, firm or corporation against such liability, if the name and address shall be known. Such hospital shall also mail a copy of such notice to the injured person or to the injured person's attorney or legal representative, if known.

[C35, §10347-f6; C39, §**10347.15;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §582.2]
2007 Acts, ch 154, §3
Referred to in **§582.1A**, **§582.3**

582.3 Duration and enforcement of lien.

1. Any person, firm, or corporation, including an insurance carrier, making any payment to such patient or to the patient's attorneys or heirs or legal representatives as compensation for the injury sustained, after the filing and mailing of such notice without paying to such hospital the amount of its lien recoverable pursuant to section 582.1A from such person, firm, or corporation or so much thereof as can be satisfied out of the moneys due under any final judgment or compromise or settlement agreement, after paying the amount of any prior liens, shall, for a period of one year from the date of payment to such patient or the patient's heirs, attorneys, or legal representatives, as aforesaid, be and remain liable to such hospital for the amount which such hospital was entitled to receive as aforesaid; any such association, corporation, or other institution maintaining such hospital may, within such period, enforce its lien by a suit at law against such person, firm, or corporation making any such payment.

2. Prior to payment by a person, firm, or corporation, including an insurance carrier, to a patient's attorney, the patient's attorney may notify the person, firm, or corporation that will be making the payment that the attorney agrees to assume responsibility for the satisfaction of some or all liens of which the person, firm, or attorney has received notice pursuant to section 582.2. Upon receipt of such notification by the patient's attorney, such person, firm, or corporation shall provide the patient's attorney with copies of any lien notice relating to a hospital lien for which the attorney has agreed to assume responsibility and such person, firm, or corporation shall not thereafter be responsible to any hospital encompassed by such notification. A patient's attorney who so notifies a person, firm, or corporation and who receives a copy of any lien notice encompassed by such notification from the person, firm, or corporation shall pay such hospital the amount to which the hospital is entitled pursuant to section 582.1A from the amount received from the person, firm, or corporation. If there is a dispute concerning the amount owed to a hospital pursuant to section 582.1A, a patient's attorney shall hold in trust the maximum amount to which the hospital may be entitled pursuant to section 582.1A and may disburse any other amounts to the patient, attorney, or other persons entitled to the funds. Any dispute concerning the amount owed to a hospital

pursuant to section 582.1A shall be resolved by the court in which the patient filed an action to recover for the patient's injury and the court shall retain jurisdiction of the case to resolve the amount of the lien after dismissal of the action. If no such action was commenced by the patient, a court in which such action could have been brought shall have jurisdiction to determine the amount owed to the hospital.

[C35, §10347-f7; C39, §**10347.16;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §582.3]
2007 Acts, ch 154, §4

582.4 Lien docket — fees.

Every clerk of the district court shall maintain a hospital lien docket in which, upon the filing of any lien claim under the provisions of this chapter, the clerk shall enter the name of the injured person, the date of the accident, and the name of the hospital or other institution making the claim. The clerk shall make a proper index of the same in the name of the injured person and the clerk shall collect a fee in the amount provided for in section 602.8105 for filing each lien claim.

[C35, §10347-f8; C39, §**10347.17;** C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §582.4]
95 Acts, ch 91, §2; 2006 Acts, ch 1144, §6
Referred to in **§602.8104**