

# House Study Bill 123

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
JUDICIARY BILL BY  
CHAIRPERSON SWAIM)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to a hospital lien and providing an effective  
2 date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1773HC 82  
5 rh/es/88

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1 1 Section 1. NEW SECTION. 582.0A DEFINITIONS.

1 2 1. "Health plan" means an individual or group plan that  
1 3 provides, or pays the costs of, medical care as that term is  
1 4 defined in the federal Health Insurance Portability and  
1 5 Accountability Act of 1996, Pub. L. No. 104=191.

1 6 2. "Hospital" means a public or private institution  
1 7 licensed pursuant to chapter 135B.

1 8 3. "Provider agreement" means a contract, understanding,  
1 9 or arrangement made by an association, corporation, county,  
1 10 municipal corporation, or other institution maintaining a  
1 11 hospital in the state, with any health plan or other entity  
1 12 for the provision or payment of health care services.

1 13 Sec. 2. Section 582.1, Code 2007, is amended to read as  
1 14 follows:

1 15 582.1 NATURE OF LIEN.

1 16 1. Every association, corporation, county, municipal  
1 17 corporation, or other institution, including a municipal

1 18 corporation, maintaining a hospital in the state, which shall  
1 19 furnish medical or other service to any patient injured by  
1 20 reason of an accident not covered by the workers' compensation  
1 21 Act, shall, if such injured party shall assert or maintain a  
1 22 claim against another for damages on account of such injuries,  
1 23 have a lien upon that part going or belonging to such patient  
1 24 of any recovery or sum had or collected or to be collected by  
1 25 such patient, or by the patient's heirs or personal

1 26 representatives in the case of the patient's death, whether by  
1 27 judgment or by settlement or compromise to the amount of the

1 28 reasonable and necessary charges of such provided that prior  
1 29 to filing the notice of the lien, the hospital first takes

1 30 reasonable steps to determine whether a patient is covered

1 31 under a health plan provided by a private or governmental  
1 32 entity. If the patient is covered by such a health plan, all

1 33 patient charges shall first be submitted to the health plan

1 34 prior to the filing of the notice of lien pursuant to section

1 35 582.2.

2 1 2. The amount of the lien shall be for the reasonable and  
2 2 customary charges of the hospital for the treatment, care, and

2 3 maintenance of such patient in such hospital up to the date of  
2 4 payment of such damages; provided, however, that this the

2 5 amount of the lien shall not exceed the amount of the

2 6 patient's responsibility for treatment, care, and maintenance

2 7 charges pursuant to any provider agreement between the

2 8 hospital and a health plan that provides coverage for the

2 9 patient regardless of the hospital's right under the provider

2 10 agreement to pursue a lien pursuant to this chapter. If a

2 11 hospital's treatment, care, and maintenance charges are not

2 12 covered by a health plan due to the fact that a third party is

2 13 or may be liable to the patient for damages, the amount of the

2 14 lien shall be limited to the amount the hospital would have

2 15 received if such charges were covered by the patient's health

2 16 plan.

2 17 3. The lien shall not in any way prejudice or interfere

2 18 with any lien or contract which may be made by such patient or

2 19 the patient's heirs or personal representatives with any  
2 20 attorney or attorneys for handling the claim on behalf of such  
2 21 patient, the patient's heirs, or personal representatives;  
2 22 provided, further, that the lien ~~herein set forth~~ shall not be  
2 23 applied or considered valid against ~~anyone coming under a~~  
2 24 ~~patient covered under the workers' compensation Act in this~~  
2 25 ~~state pursuant to chapters 85, 85A, and 85B.~~

2 26 Sec. 3. Section 668.5, Code 2007, is amended by adding the  
2 27 following new subsection:

2 28 NEW SUBSECTION. 5. For purposes of this section,  
2 29 "subrogation" includes a hospital lien filed pursuant to  
2 30 chapter 582.

2 31 Sec. 4. EFFECTIVE DATE. This Act, being deemed of  
2 32 immediate importance, takes effect upon enactment.

2 33 EXPLANATION

2 34 This bill relates to the filing of a hospital lien and  
2 35 provides that an association, corporation, county, municipal  
3 1 corporation, or other institution maintaining a hospital in  
3 2 this state and eligible to file a lien under the provisions of  
3 3 Code chapter 582, Iowa's hospital lien law, shall first take  
3 4 reasonable steps to determine whether a patient is covered  
3 5 under a health plan provided by a private or governmental  
3 6 entity. If the patient is covered by such a health plan, all  
3 7 treatment, care, and maintenance charges shall first be  
3 8 submitted to the health plan prior to the filing of the notice  
3 9 of lien.

3 10 The bill provides the amount of the lien shall be for the  
3 11 reasonable and customary treatment, care, and maintenance  
3 12 charges of the hospital not to exceed the amount of the  
3 13 patient's responsibility for such charges pursuant to any  
3 14 provider agreement between the hospital and the health plan.  
3 15 If a patient care charge is not covered by the patient's  
3 16 health plan due to third party liability, the amount of the  
3 17 lien shall be limited to the amount the hospital would have  
3 18 received if such charges were covered by the patient's health  
3 19 plan.

3 20 The bill further provides that, in regard to the rights of  
3 21 contribution between two or more persons liable on the same  
3 22 claim pursuant to Code section 668.5, a subrogated claim  
3 23 includes a hospital lien filed pursuant to Code chapter 582.

3 24 The bill defines "health plan" to mean an individual or  
3 25 group plan that provides, or pays the costs of, medical care  
3 26 as that term is defined in the federal Health Insurance  
3 27 Portability and Accountability Act of 1996, Pub. L. No.  
3 28 104-191 (HIPAA). The bill also defines "provider agreement"  
3 29 to mean a contract, understanding, or arrangement made by an  
3 30 association, corporation, county, municipal corporation, or  
3 31 other institution maintaining a hospital in the state, with  
3 32 any health plan or other entity for the provision or payment  
3 33 of health care services.

3 34 The bill takes effect upon enactment.

3 35 LSB 1773HC 82

4 1 rh:sc/es/88