

Senate Study Bill 1144

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON KREIMAN)

Passed Senate, Date _____ Passed House, 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 1773SC 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 1773SC 82

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