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S.257

Introduced by Senators Pearson, Brock, Clarkson and Hooker

Referred to Committee on

Date:

Subject: Health; hospitals; health insurance; hospital liens

Statement of purpose of bill as introduced: This bill proposes to prohibit a hospital from having a lien on a patient's recovery for damages based on injuries suffered in an accident if the patient is covered by Medicare, Medicaid, or a health insurance plan under which the hospital is a participating provider.

The bill would require the hospital to pay a pro rata share of the legal and administrative expenses incurred in obtaining the damages and would limit the amount of a hospital lien to not more than 25 percent of the net amount received by the patient.

14 An act relating to limitations on hospital liens

15 It is hereby enacted by the General Assembly of the State of Vermont:

16 Sec. 1. 18 V.S.A. § 2251 is amended to read:

17 § 2251. LIEN ESTABLISHED

18 (a) A hospital in Vermont, as defined in section 1801 of this title,
19 furnishing medical or other service, including charges of private duty nurses, to

1 a patient injured by reason of an accident not covered by the Workers'
2 Compensation Act, 21 V.S.A. ~~§ 601 et seq.~~ chapter 9, shall have a lien upon
3 any recovery for damages to be received by the patient, or by ~~his or her~~ the
4 patient's heirs or personal representatives in the case of ~~his or her~~ the patient's
5 death, whether by judgment or by settlement or compromise after the date of
6 the services. ~~This lien shall not attach to one third of the recovery or \$500.00,~~
7 ~~whichever shall be the lesser, and in addition the lien shall be subordinate to an~~
8 ~~attorney's lien.~~

9 (b) Notwithstanding subsection (a) of this section, a hospital shall not have
10 a lien under this chapter if the patient has health insurance, including coverage
11 under Medicare, Medicaid, or a health plan issued by a health insurer, as
12 defined in section 9402 of this title, and the hospital has a contractual
13 agreement with that payer.

14 (c)(1) A hospital that recovers under this chapter shall be responsible for a
15 pro rata share of the legal and administrative expenses incurred in obtaining
16 the judgment, settlement, or compromise.

17 (2) In no event shall the hospital lien exceed 25 percent of the net
18 judgment, settlement, or compromise received by the injured patient.

19 Sec. 2. EFFECTIVE DATE

20 This act shall take effect on July 1, 2022.