

HCS HB 1082 -- HEALTH CARE LIENS

SPONSOR: Pratt (Dempsey)

COMMITTEE ACTION: Voted "do pass" by the Committee on Judiciary by a vote of 6 to 5.

This substitute changes the laws regarding health care liens. Currently, hospitals, physicians, and other health care providers whose services have been authorized in advance by the employer or insurer can give notice to the Division of Workers' Compensation in the Department of Labor and Industrial Relations for services provided for a work-related injury. The substitute removes the requirement that the services must be authorized in advance by the employer or insurer. Currently, the insurance carrier is allowed to pay the amount due secured by the health care provider's lien directly to the provider if the claimant authorizes it, does not challenge the amount of customary charges, and the health care provider releases the claimant from further liability on the cost of the services and treatment provided. These conditions are removed, and the insurance carrier is required to pay the amount due secured by the health care provider's lien directly to the health care provider.

The substitute also allows hospitals and clinics to place a lien on any person entitled to bring a wrongful death action.

FISCAL NOTE: No impact on state funds in FY 2007, FY 2008, and FY 2009.

PROPOSERS: Supporters say that the bill will help hospitals recover the costs of treatment more easily. Hospitals will be paid directly by the insurance companies without the authorization from the patient where the provider has a lien for the cost of medical care.

Testifying for the bill were Representatives Dempsey and Faith; Cathy Hughes; and Missouri Hospital Association.

OPPOSERS: Those who oppose the bill say that it will encourage medical care providers to provide unnecessary care for injuries not related to the lawsuit damages that the health care lien is imposed upon. The bill also provides a disincentive to settle insurance claims and takes away the claimant's or patient's right to challenge the insurance claims.

Testifying against the bill was Missouri Association of Trial Attorneys.

Alex Curchin, Legislative Analyst