

By: Representative Smith (59th)

To: Judiciary A

HOUSE BILL NO. 977

1 AN ACT TO CREATE SECTION 41-9-121, MISSISSIPPI CODE OF 1972,
2 TO CREATE A LIEN ON JUDGMENTS, AWARDS, SETTLEMENTS AND CERTAIN
3 OTHER PROCEEDS IN FAVOR OF A HOSPITAL FOR SERVICES RENDERED TO A
4 PATIENT; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 **SECTION 1.** The following shall be codified as Section
7 41-9-121, Mississippi Code of 1972:

8 41-9-121. (1) For purposes of this section "injured person"
9 means any natural person who has been injured or killed or has
10 become sick or has become sick or diseased under circumstances
11 creating a cause of action in favor of the injured person against
12 any person, firm or corporation third party.

13 (2) Each hospital licensed by the Mississippi State
14 Department of Health that renders service in the treatment, care,
15 and/or maintenance of an injured person shall, upon admission of
16 such patient, have a lien upon all claims and causes of action of
17 the injured person for the amount of any portion of the hospital
18 bill that, at the time of discharge of such injured person, is
19 unpaid and the patient or his third-party payor is legally
20 obligated to pay. The hospital lienor shall be entitled to
21 recover the unpaid amount of its bill for the treatment, care
22 and/or maintenance of the injured person that the injured person
23 is legally obligated to pay from the proceeds that may result from
24 the exercise of any rights of recovery buy or on behalf of the
25 injured person. The injured person shall execute and deliver
26 instruments and papers and do whatever is necessary to secure the
27 hospital lienor's rights to such recovery and shall do nothing to
28 prejudice the rights of the hospital lienor. No judgment, award,



29 settlement or compromise secured by or on behalf of an injured
30 person shall be satisfied without the injured person or his or
31 her authorized representative first satisfying the hospital lien
32 from such monies received or to be received from such judgment,
33 award, settlement or compromise and securing a release from the
34 hospital lienor evidencing the payment or extinction of the lien.

35 No judgment, award, settlement or compromise received by or
36 on behalf of the injured person shall be binding upon or affect
37 the rights of the hospital lienor against the third party unless
38 the hospital's lien is satisfied or extinguished. Any proceeds of
39 any judgment, award, settlement or compromise received by or on
40 behalf of an injured person in the absence of a release or
41 instrument of satisfaction of lien executed by the hospital lienor
42 shall constitute conclusive evidence of the liability of the third
43 party to the hospital for the amount of the lien, and the hospital
44 lienor, in litigating its claim against the third party, shall be
45 required only to prove the amount and correctness of its claim
46 relating to its charges for the treatment, care and/or maintenance
47 of the injured person that remain unpaid and that the injured
48 person is legally obligated to pay.

49 The hospital lien created under this section exists by virtue
50 of the relation of the parties and the services rendered, and
51 without any writing, or if in writing, without recording; and the
52 rights and liens conferred may be asserted and enforced by the
53 assigns and personal representatives of the lienor.

54 Notwithstanding anything in this section to the contrary, in
55 no event shall the total amount a hospital recovers as a result of
56 its lien under this section exceed one-third (1/3) of the amount
57 of the verdict, judgment, award, settlement, or compromise secured
58 by or on behalf of the injured person on his or her claim or right
59 of action.

60 As long as the charges for the treatment, care and/or
61 maintenance of the injured person that the injured person or his



62 third-party payor is legally obligated to pay are unpaid, nothing
63 herein shall be construed to diminish or otherwise restrict the
64 rights of the hospital to pursue payment of those charges in its
65 regular course of business.

66 (3) In the event an injured person has healthcare coverage
67 with a third-party payor and as a result of such coverage, such
68 third-party payor is legally obligated to pay the hospital for all
69 or a portion of the treatment, care and maintenance delivered by
70 the hospital to the injured person, then in such event the third
71 party payor shall make such payment to the hospital within the
72 same time person it would otherwise make payment without taking
73 into account the possibility of a monetary recovery by the injured
74 person from the wrongdoer. In no event can a third-party payor
75 withhold from the hospital or the injured party monies that it is
76 legally obligated to pay because of the anticipation of a verdict,
77 judgment, award, settlement, or compromise that may be secured by
78 or on behalf of the injured person on his or her claim or cause of
79 action.

80 **SECTION 2.** This act shall take effect and be in force from
81 and after July 1, 2002.

