HOUSE BILL NO. 977

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

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

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

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

(2) Each hospital licensed by the Mississippi State Department of Health that renders service in the treatment, care, and/or maintenance of an injured person shall, upon admission of such patient, have a lien upon all claims and causes of action of the injured person for the amount of any portion of the hospital bill that, at the time of discharge of such injured person, is unpaid and the patient or his third-party payor is legally obligated to pay. The hospital lienor shall be entitled to recover the unpaid amount of its bill for the treatment, care and/or maintenance of the injured person that the injured person is legally obligated to pay from the proceeds that may result from the exercise of any rights of recovery buy or on behalf of the injured person. The injured person shall execute and deliver instruments and papers and do whatever is necessary to secure the hospital lienor's rights to such recovery and shall do nothing to prejudice the rights of the hospital lienor. No judgment, award,
No judgment, award, settlement or compromise received by or on behalf of the injured person shall be binding upon or affect the rights of the hospital lienor against the third party unless the hospital's lien is satisfied or extinguished. Any proceeds of any judgment, award, settlement or compromise received by or on behalf of an injured person in the absence of a release or instrument of satisfaction of lien executed by the hospital lienor shall constitute conclusive evidence of the liability of the third party to the hospital for the amount of the lien, and the hospital lienor, in litigating its claim against the third party, shall be required only to prove the amount and correctness of its claim relating to its charges for the treatment, care and/or maintenance of the injured person that remain unpaid and that the injured person is legally obligated to pay.

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

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

As long as the charges for the treatment, care and/or maintenance of the injured person that the injured person or his
third-party payor is legally obligated to pay are unpaid, nothing
herein shall be construed to diminish or otherwise restrict the
rights of the hospital to pursue payment of those charges in its
regular course of business.

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

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