

By: Senator(s) Huggins

To: Judiciary

SENATE BILL NO. 2732

1 AN ACT TO CODIFY SECTION 41-9-121, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE FOR A HOSPITAL LIEN FOR UNPAID MEDICAL BILLS ON BEHALF
3 OF A WRONGFULLY INJURED PERSON UNTIL PENDING LEGAL OVER LIABILITY
4 IS COMPLETE; TO PROVIDE FOR THIRD-PARTY PAYMENT; AND FOR RELATED
5 PURPOSES.

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

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

9 41-9-121. **Payments to a hospital by or on behalf of a**
10 **wrongfully injured person.**

11 (1) **Injured person defined.** For purposes of this section,
12 "injured person" shall mean any natural person who has been
13 injured or killed or has become sick or diseased under
14 circumstances creating a cause of action in favor of the injured
15 person against any person, firm or corporation third party.

16 (2) **Hospital lien.** Each hospital licensed by the
17 Mississippi State Department of Health that renders service in the
18 treatment, care and/or maintenance of an injured person shall,
19 upon admission of such patient, have a lien upon all claims and
20 causes of action of the injured person for the amount of any
21 portion of the hospital bill that, at the time of discharge of
22 such injured person, (a) is unpaid, and (b) the patient or his
23 third-party payor is legally obligated to pay. The hospital
24 lienor shall be entitled to recover the unpaid amount of its bill
25 for the treatment, care and/or maintenance of the injured person
26 that the injured person is legally obligated to pay from the
27 proceeds that may result from the exercise of any rights of
28 recovery by or on behalf of the injured person. The injured



29 person shall execute and deliver instruments and papers and do
30 whatever is necessary to secure the hospital lienor's rights to
31 such recovery and shall do nothing to prejudice the rights of the
32 hospital lienor. No judgment, award, settlement or compromise
33 secured by or on behalf of an injured person shall be satisfied
34 without the injured person or his or her authorized representative
35 first (a) satisfying the hospital lien from such monies received
36 or to be received from such judgment, award, settlement or
37 compromise, and (b) securing a release from the hospital lienor
38 evidencing the payment or extinction of the lien.

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

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

58 Notwithstanding anything in this section to the contrary, in
59 no event shall the total amount a hospital recovers as a result of
60 its lien under this section exceed one-third (1/3) of the amount
61 of the verdict, judgment, award, settlement or compromise secured



62 by or on behalf of the injured person on his or her claim or right
63 of action.

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

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

84 **SECTION 2.** This act shall take effect and be in force from
85 and after July 1, 2003.

