

By: Representative Moody

To: Judiciary A

HOUSE BILL NO. 1144

1 AN ACT TO CREATE SECTION 41-9-121, Mississippi Code of 1972,
2 TO PROVIDE FOR A LIEN UPON CLAIMS OF INJURED PERSONS TREATED BY
3 HOSPITALS FOR PAYMENT OF BILLS; AND FOR RELATED PURPOSES.

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

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

7 41-9-121. (1) For purposes of this section "injured
8 person" means any natural person who has been injured or killed or
9 has become sick or diseased under circumstances creating a cause
10 of action in favor of the injured person against any person, firm
11 or corporation third party.

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



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

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

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

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

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



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

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

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

