

# HOUSE BILL NO. 1645

## 97TH GENERAL ASSEMBLY

---

INTRODUCED BY REPRESENTATIVE MCGAUGH.

5713L.011

D. ADAM CRUMBLISS, Chief Clerk

---

### AN ACT

To repeal sections 430.225, 430.230, and 430.235, RSMo, and to enact in lieu thereof three new sections relating to hospital liens.

---

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 430.225, 430.230, and 430.235, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 430.225, 430.230, and 430.235, to read as follows:

430.225. 1. As used in sections 430.225 to 430.250, the following terms shall mean:

(1) "Claim", a claim of a patient for:

(a) Damages from a tort-feasor; or

(b) Benefits from an insurance carrier;

(2) "Clinic", a group practice of health practitioners or a sole practice of a health practitioner who has incorporated his or her practice;

(3) **"Health benefit plan", shall have the same meaning ascribed to it as in section 376.1350;**

(4) **"Health carrier", shall have the same meaning ascribed to it as in section 376.1350;**

(5) "Health practitioner", a chiropractor licensed pursuant to chapter 331, a podiatrist licensed pursuant to chapter 330, a dentist licensed pursuant to chapter 332, a physical therapist licensed under chapter 334, a physician or surgeon licensed pursuant to chapter 334, or an optometrist licensed pursuant to chapter 336, while acting within the scope of their practice;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15            [(4)] (6) "Insurance carrier", any person, firm, corporation, association or aggregation  
16 of persons conducting an insurance business pursuant to chapter 375, 376, 377, 378, 379, 380,  
17 381, or 383;

18            [(5)] (7) "Other institution", a legal entity existing pursuant to the laws of this state  
19 which delivers treatment, care or maintenance to patients who are sick or injured;

20            [(6)] (8) "Patient", any person to whom a health practitioner, hospital, clinic or other  
21 institution delivers treatment, care or maintenance for sickness or injury caused by a tort-feasor  
22 from whom such person seeks damages or any insurance carrier which has insured such  
23 tort-feasor.

24            2. Clinics, health practitioners and other institutions, as defined in this section, shall have  
25 the same rights granted to hospitals in sections 430.230 to 430.250.

26            3. If the liens of such health practitioners, hospitals, clinics or other institutions exceed  
27 fifty percent of the amount due the patient, every health care practitioner, hospital, clinic or other  
28 institution giving notice of its lien, as aforesaid, shall share in up to fifty percent of the net  
29 proceeds due the patient, in the proportion that each claim bears to the total amount of all other  
30 liens of health care practitioners, hospitals, clinics or other institutions. "Net proceeds", as used  
31 in this section, means the amount remaining after the payment of contractual attorney fees, if any,  
32 and other expenses of recovery.

33            4. In administering the lien of the health care provider, the insurance carrier may pay the  
34 amount due secured by the lien of the health care provider directly, if the claimant authorizes it  
35 and does not challenge the amount of the customary charges or that the treatment provided was  
36 for injuries caused by the tort-feasor.

37            5. Any health care provider electing to receive benefits hereunder releases the claimant  
38 from further liability on the cost of the services and treatment provided to that point in time.

430.230. 1. Every public hospital or clinic, and every privately maintained hospital,  
2 clinic or other institution for the care of the sick, which is supported in whole or in part by  
3 charity, located within the state of Missouri, or any such hospital duly incorporated under the  
4 laws of Missouri providing for the incorporation of eleemosynary institutions, shall have a lien  
5 upon any and all claims, counterclaims, demands, suits, or rights of action of any person  
6 admitted to any hospital, clinic or other institution and receiving treatment, care or maintenance  
7 therein for any cause including any personal injury sustained by such person as the result of the  
8 negligence or wrongful act of another, which such injured person may have, assert or maintain  
9 against the person or persons causing such injury for damages on account of such injury, for the  
10 cost of such services, computed at reasonable rates not to exceed twenty-five dollars per day and  
11 the reasonable cost of necessary X-ray, laboratory, operating room and medication service, as  
12 such hospital, clinic, or other institution shall render such injured person on account of his

13 conditions; provided further, that the lien herein set forth shall not be applied or considered valid  
14 against anyone coming under the workers' compensation law in this state.

15 **2. If a patient provides proof of insurance coverage under a health benefit plan**  
16 **within thirty days of the patient's discharge from a hospital, clinic, or other institution, the**  
17 **hospital, clinic, or other institution shall submit all charges to the patient's health carrier**  
18 **or health benefit plan prior to filing the notice of the lien under section 430.240. The**  
19 **patient's health carrier or health benefit plan shall not deny payment for services received**  
20 **on the basis that a third party or other insurance carrier is responsible for the patient's**  
21 **injuries. This subsection shall not prohibit a hospital, clinic, or other institution from filing**  
22 **notice of a lien under section 430.240 for the amount owed to the hospital, clinic, or other**  
23 **institution due to patient responsibility including but not limited to charges for services not**  
24 **covered under the health benefit plan, deductibles, co-payments, coinsurance, or other**  
25 **cost-share amounts.**

26 **3. If at any time subsequent to the filing of the notice of the lien a hospital, clinic,**  
27 **or other institution receives health benefit plan information regarding a patient, the**  
28 **hospital, clinic, or other institution shall not be required to withdraw notice of the lien but**  
29 **shall submit its charges to the health carrier or health benefit plan.**

30 **4. A hospital, clinic, or other institution is barred from seeking from the patient or**  
31 **the patient's representative payment for any amount of its charges that exceed the patient's**  
32 **financial obligation to the hospital, clinic, or other institution under the terms of any health**  
33 **benefit plan. The lien shall be reduced by the amount of any benefits to which the patient**  
34 **is entitled under the terms of any contract or health benefit plan and shall reflect credits**  
35 **for all payments, contractual adjustments, write-offs, and any other benefit in favor of the**  
36 **patient after the hospital, clinic, or other institution has made all reasonable efforts to**  
37 **pursue the insurance claims in cooperation with the patient.**

38 **5. If a hospital, clinic, or other institution fails to submit its charges to an insured**  
39 **patient's health carrier or health benefit plan or otherwise fails to pursue a health**  
40 **insurance claim, the amount of the lien shall be reduced by the contracted discount or**  
41 **other limitation which would have been applied had the claim been submitted for**  
42 **reimbursement to the health carrier or administrator of such health benefit plan.**

430.235. **1. Notwithstanding the provisions of section 430.230, every public hospital**  
2 **or clinic, and every privately maintained hospital, clinic or other institution for the care of the**  
3 **sick, which is supported in whole or in part by charity, located within the state of Missouri, or**  
4 **any such hospital duly incorporated under the laws of Missouri providing for the incorporation**  
5 **of eleemosynary institutions, shall have a lien upon any and all claims, counterclaims, demands,**  
6 **suits, or rights of action of any person admitted to any hospital, clinic or other institution and**

7 receiving treatment, care or maintenance therein for any cause including any personal injury  
8 sustained by such person as the result of the negligence or wrongful act of another, which such  
9 injured person may have, assert or maintain against the person or persons causing such injury for  
10 damages on account of such injury, for the cost of such services, computed at reasonable rates  
11 not to exceed the customary charges for the services and the customary charges for necessary  
12 X-ray, laboratory, operating room and medication services as such hospital, clinic or other  
13 institution shall render such injured person on account of his conditions. The lien set forth in this  
14 section shall not be applied or considered valid against anyone coming under the workers'  
15 compensation law in this state. The lien set forth in this section shall be considered valid and  
16 may be applied against medical benefits paid anyone under the provisions of chapter 208,  
17 whether such benefits are paid from state or federal funds, or a combination thereof.

18 **2. If a patient provides proof of insurance coverage under a health benefit plan**  
19 **within thirty days of the patient's discharge from a hospital, clinic, or other institution, the**  
20 **hospital, clinic, or other institution shall submit all charges to the patient's health carrier**  
21 **or health benefit plan prior to filing the notice of the lien under section 430.240. The**  
22 **patient's health carrier or health benefit plan shall not deny payment for services received**  
23 **on the basis that a third party or other insurance carrier is responsible for the patient's**  
24 **injuries. This subsection shall not prohibit a hospital, clinic, or other institution from filing**  
25 **notice of a lien under section 430.240 for the amount owed to the hospital, clinic, or other**  
26 **institution due to patient responsibility including but not limited to charges for services not**  
27 **covered under the health benefit plan, deductibles, co-payments, coinsurance, or other**  
28 **cost-share amounts.**

29 **3. If at any time subsequent to the filing of the notice of the lien a hospital, clinic,**  
30 **or other institution receives health benefit plan information regarding a patient, the**  
31 **hospital, clinic, or other institution shall not be required to withdraw notice of the lien but**  
32 **shall submit the charges to the health carrier or health benefit plan.**

33 **4. A hospital, clinic, or other institution is barred from seeking from the patient or**  
34 **the patient's representative payment for any amount of the charges that exceed the**  
35 **patient's financial obligation to the hospital, clinic, or other institution under the terms of**  
36 **any health benefit plan. The lien shall be reduced by the amount of any benefits to which**  
37 **the patient is entitled under the terms of any contract or health benefit plan and shall**  
38 **reflect credits for all payments, contractual adjustments, write-offs, and any other benefit**  
39 **in favor of the patient after the hospital, clinic, or other institution has made all reasonable**  
40 **efforts to pursue the insurance claims in cooperation with the patient.**

41 **5. If a hospital, clinic, or other institution fails to submit its charges to an insured**  
42 **patient's health carrier or health benefit plan or otherwise fails to pursue a health**

43 **insurance claim, the amount of the lien shall be reduced by the contracted discount or**  
44 **other limitation which would have been applied had the claim been submitted for**  
45 **reimbursement to the health carrier or administrator of such health benefit plan.**

✓