

1 TO THE HONORABLE SENATE:

2 The Committee on Judiciary to which was referred Senate Bill No. 79  
3 entitled “An act relating to limitations on hospital liens” respectfully reports  
4 that it has considered the same and recommends that the bill be amended by  
5 striking out all after the enacting clause and inserting in lieu thereof the  
6 following:

7 Sec. 1. 18 V.S.A. § 2251 is amended to read:

8 § 2251. LIEN ESTABLISHED

9 (a) ~~A~~ Except as otherwise provided in this section, a hospital in Vermont,  
10 as defined in section 1801 of this title, furnishing medical or other service,  
11 including charges of private duty nurses, to a patient injured by reason of an  
12 accident not covered by the Workers’ Compensation Act, 21 V.S.A. ~~§ 601 et~~  
13 ~~seq. chapter 9, shall have~~ may file a lien upon any recovery for damages to be  
14 received by the patient, or by ~~his or her~~ the patient’s heirs or personal  
15 representatives in the case of ~~his or her~~ the patient’s death, whether by  
16 judgment or by settlement or compromise after the date of the services. ~~This~~  
17 ~~lien shall not attach to one-third of the recovery or \$500.00, whichever shall be~~  
18 ~~the lesser, and in addition the lien shall be subordinate to an attorney’s lien.~~

19 (b)(1) Notwithstanding subsection (a) of this section, a hospital shall not  
20 have a lien under this chapter if the patient has health insurance, including  
21 coverage under Medicare, Medicaid, or a health plan issued by a health insurer,

1 as defined in section 9402 of this title, and the patient provides the hospital  
2 with proof of health insurance not later than 90 days after the patient's  
3 discharge from the hospital.

4 (2) Notwithstanding subdivision (1) of this subsection, a hospital may  
5 file a lien pursuant to subsection (a) of this section for any amount owed to the  
6 hospital for the patient's deductible or co-insurance, or both, under the health  
7 insurance plan for the medical or other services furnished by the hospital by  
8 filing notice of a lien at least 120 days after the hospital billed the patient's  
9 health insurance plan for the amount owed to the hospital for services  
10 furnished to the patient.

11 (3) The patient's health insurance plan shall not deny payment for  
12 services furnished by the hospital to the patient on the basis that a property and  
13 casualty insurance carrier is responsible for the patient's injuries unless such  
14 denial is required or expressly permitted by State or federal law.

15 (c)(1) A hospital that recovers under this chapter shall be responsible for a  
16 pro rata share of the legal and administrative expenses incurred in obtaining  
17 the judgment, settlement, or compromise.

18 (2) In no event shall the hospital lien exceed one-third of the net  
19 judgment, settlement, or compromise received by the injured patient.

20 Sec. 2. EFFECTIVE DATE

21 This act shall take effect on January 1, 2024.

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(Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

FOR THE COMMITTEE