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S.79

Introduced by Senators Vyhovsky, Baruth, Bray, Clarkson, Gulick, Hardy,
Harrison, Hashim, MacDonald, McCormack, Perchlik, Ram
Hinsdale, Starr, Watson, White and Wrenner

Referred to Committee on

Date:

Subject: Health; hospitals; health insurance; hospital liens

Statement of purpose of bill as introduced: This bill proposes to prohibit a
hospital from having a lien on a patient's recovery for damages based on
injuries suffered in an accident if the patient is covered by Medicare, Medicaid,
or a health insurance plan under which the hospital is a participating provider.
The bill would require the hospital to pay a pro rata share of the legal and
administrative expenses incurred in obtaining the damages and would limit the
amount of a hospital lien to not more than 25 percent of the net amount
received by the patient.

An act relating to limitations on hospital liens

1 It is hereby enacted by the General Assembly of the State of Vermont:

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

3 § 2251. LIEN ESTABLISHED

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

14 (b) Notwithstanding subsection (a) of this section, a hospital shall not have
15 a lien under this chapter if the patient has health insurance, including coverage
16 under Medicare, Medicaid, or a health plan issued by a health insurer, as
17 defined in section 9402 of this title, and the hospital has a contractual
18 agreement with that payer.

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

1 (2) In no event shall the hospital lien exceed 25 percent of the net
2 judgment, settlement, or compromise received by the injured patient.

3 Sec. 2. EFFECTIVE DATE

4 This act shall take effect on July 1, 2023.