

SESSION OF 2010

SUPPLEMENTAL NOTE ON SENATE BILL NO. 167

As Amended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 167, as amended, would increase the enforceable limit of a hospital lien from \$5,000 to \$10,000. The lien for payment would be against the recovery made by a patient injured as the result of an accident that is not covered by workers compensation, if the injured party asserts a claim against another for damages on account of the accident.

Background

The bill was introduced by the Senate Committee on Ways and Means. Senator John Vratil testified in support of the bill and indicated that the ceiling in current law (\$5,000) was established in 1972 and the proposed increase to a \$20,000 maximum would recognize the changes in health care costs that have occurred over the last 37 years. A representative for the Kansas Hospital Association spoke to the necessity of raising the limit of the "fully enforceable" lien amount by indicating that hospitals providing emergency care, unlike other providers who can discontinue providing care, cannot discontinue care and therefore are exposed to financial risks over and above other providers. Written testimony in support of the bill was submitted by the Shawnee Mission Medical Center.

The Kansas Association for Justice appeared in opposition to the bill at the Committee hearing. The Association representative stated that based on experiences of the clients he has represented, the vast majority of the money which may

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

be subject to a Kansas hospital lien comes from automobile liability insurance proceeds; the minimum liability insurance required of a Kansas driver, the representative further stated, has remained stagnant for 26 years. The representative suggested that the hospital lien law remain unchanged until the minimum mandated auto limits are increased and the holes in UIM [underinsured motorist] coverage are closed. The Kansas Health Consumer Coalition submitted written testimony in opposition to the bill.

The Senate Committee on Financial Institutions and Insurance recommended an amendment to the bill to decrease the enforceable limit specified for hospital liens from \$20,000 to \$10,000 (the amount specified in current law is \$5,000).

The fiscal note prepared by the Division of the Budget on the original bill states that the bill would have no fiscal effect on state operations. However, the bill would have the potential to increase the amount a hospital could recover in certain instances where a patient is unable to pay for services rendered.