

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6008**

**BILL NUMBER: SB 5**

**NOTE PREPARED: Feb 18, 2013**

**BILL AMENDED: Feb 12, 2013**

**SUBJECT:** Hospital Liens and Ambulance Liens.

**FIRST AUTHOR:** Sen. Steele

**FIRST SPONSOR:** Rep. McMillin

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill repeals the laws concerning hospital liens and ambulance liens as of July 1, 2013. It provides that liens perfected under these laws and not released before July 1, 2013, remain valid until the liens are released. The bill also specifies that the repeal of laws concerning hospital liens and ambulance liens does not affect a patient's financial obligation to pay the provider under any other law or contractual provision.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** Hospitals are required to provide notice of a lien with the Department of Insurance (DOI) in order to provide notice to insurers. The DOI reports that 15,000 to 17,500 notices of liens, adjustments to lien balances, and releases of liens are annually filed with the agency. Fewer than half of the notices are actual new liens. There are no data available indicating the dollar amount of filed liens at this time. DOI reports that they are currently developing a process to allow for hospitals to file the required notices of liens on-line.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill would eliminate the ability of local government-owned hospitals and emergency ambulance services to recover the charges associated with a patient's care by means of placing a lien on a cause of action, suit, or claim accruing to the patient. Hospitals are required to provide notice of a lien with the Department of Insurance in order to provide notice to insurers; ambulance services are not required to do so. There are no data available to indicate the total number of liens that are filed. The extent to

which ambulance services and hospitals recover charges as a result of a lien filed against a recovery is unknown. The fiscal impact of the bill is indeterminate.

**Explanation of Local Revenues:** Local fee revenues would be decreased to the extent that local government-owned hospitals and emergency ambulance services file liens with a recorder's office and pay the associated fees. The impact on local revenue is indeterminate.

**State Agencies Affected:** Indiana Department of Insurance.

**Local Agencies Affected:** Emergency ambulance services and local government-owned hospitals.

**Information Sources:**

**Fiscal Analyst:** Kathy Norris, 317-234-1360.