

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6008

BILL NUMBER: SB 5

NOTE PREPARED: Apr 4, 2013

BILL AMENDED: Apr 4, 2013

SUBJECT: Hospital Liens and Ambulance Liens.

FIRST AUTHOR: Sen. Steele

FIRST SPONSOR: Rep. McMillin

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill amends the law concerning hospital liens related to certain personal injury claims, including balance billing, time frame for perfecting a lien, and release of a lien.

The bill repeals the law concerning ambulance liens as of July 1, 2013. It provides that ambulance liens perfected under the law and not released before July 1, 2013, remain valid until the liens are released. The bill specifies that the repeal of the law 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: (Revised) The provisions of the bill would have no fiscal impact on the Department of Insurance (DOI).

(Revised) **Background Information:** Hospitals are required to provide notice of a lien with the DOI in order to provide notice to insurers. (Ambulance services are not required to provide notice of a lien to DOI.) 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: (Revised) The bill would eliminate the ability of local government-owned 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 or the number of liens filed by ambulance services. The extent to which ambulance services recover charges as a result of a lien filed against a recovery is unknown. (The elimination of the lien process does not affect a patient's financial obligation to pay the provider under any other law or contractual provision.) The fiscal impact of the bill is indeterminate.

Explanation of Local Revenues: (Revised) Local fee revenues would be decreased to the extent that local government-owned 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:

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