

1 HB279  
2 209490-2  
3 By Representative Faulkner  
4 RFD: Insurance  
5 First Read: 02-FEB-21



1           "(a) For the purposes of this section, the following  
2 terms shall have the following meanings:

3           "(1) HEALTH CARE PAYOR. A health care insurer,  
4 health maintenance organization, or health care service plan  
5 organized under Article 6, Chapter 20, Title 10A, authorized  
6 to provide health care coverage in the state.

7           "(2) SATISFY THE CLAIM. Receipt by the hospital of  
8 either of the following:

9           "a. Full payment for services as billed.

10          "b. If the hospital has a contract with the injured  
11 person's health care payor, payment together with all credits,  
12 discounts, and contractual adjustments that the patient's bill  
13 would be entitled under the contract, including recoupments,  
14 between the hospital and the patient's health care payor which  
15 extinguish the patient's obligation for the services rendered.

16          "(b) Unless ~~specifically contrary to any contractual~~  
17 ~~agreement between the hospital and the injured person's health~~  
18 ~~care payor or unless~~ contrary to any ~~statute~~ law or  
19 governmental rule or regulation of the United States or this  
20 state, no hospital shall perfect a lien as to any injured  
21 person who was covered by a health care payor's policy, until  
22 the hospital submits to the health care payor an accurate and  
23 properly coded claim, or if a contract exists between the  
24 hospital and the health care payor, in the form required  
25 pursuant to the contract, and there is a failure to satisfy  
26 the claim. Perfection of a lien shall be as follows:

1           "(1) A hospital may perfect its lien as to an  
2 injured person who was covered by a health care payor's policy  
3 that provides primary coverage for the care, if the hospital  
4 takes the steps described in subsection (c), within 20 days  
5 after its receipt of notice of the health care payor's denial  
6 of an accurate and properly coded claim. Failure to satisfy an  
7 accurate and properly coded claim within 45 days of submission  
8 or the subsequent recoupment by the health care payor of  
9 amounts previously paid, which results in a failure to satisfy  
10 the claim, shall be deemed a denial of the claim.

11           "(2) A hospital may perfect its lien as to an  
12 injured person who was not known to the hospital to be covered  
13 by a health care payor, was covered by a governmental payor  
14 including Medicare or Medicaid, or was covered by a policy not  
15 described in subdivision (b)(1), if it takes the steps  
16 described in subsection (c) within 20 days after discharge.

17           "(3) Where the hospital does not receive evidence of  
18 the injured person's health care payor until after the lien  
19 provided for by this section has been perfected, the hospital  
20 shall bill the health care payor forthwith but may retain its  
21 lien until satisfaction of the claim. If the claim is  
22 satisfied, the hospital shall release the lien within 10 days.

23           "(c) In order to perfect a lien under this division,  
24 the operator of the hospital, shall file with the probate  
25 court of the county in which the hospital is located a  
26 verified statement setting forth the name and address of the  
27 patient, as it shall appear on the records of the hospital,

1 the name and location of the hospital and the name and address  
2 of the operator thereof, the dates of admission and discharge  
3 of the patient therefrom, the amount claimed to be due for the  
4 hospital care, which shall give full credit for any health  
5 care payor payments made, including agreed contractual  
6 adjustments, and to the best of the claimant's knowledge, the  
7 names and addresses of all persons, firms, or corporations  
8 claimed by the injured person, or the legal representative of  
9 the person, to be liable for damages arising from the  
10 injuries. The claimant shall also within one day after the  
11 filing of the claim or lien, mail a copy thereof by registered  
12 or certified mail, postage prepaid, for each person, firm, or  
13 corporation so claimed to be liable on account of the  
14 injuries, at the addresses so given in the statement, and to  
15 the patient, his or her guardian, or his or her personal  
16 representative at the address given at the time of admission.

17 "(d) The filing of a claim or lien shall be notice  
18 thereof to all persons, firms, or corporations liable for  
19 damages, whether or not they are named in the claim or lien.  
20 Nothing shall be deemed to preclude the hospital from  
21 perfecting its lien outside of the time limits stated in this  
22 section through providing actual notice to persons, firms, or  
23 corporations.

24 "(e) The judge of probate shall endorse thereon the  
25 date and hour of filing, and at the expense of the county  
26 shall provide a hospital lien book with proper index in which  
27 he or she shall enter the date and hour of the filing, the

1 names and addresses of the hospital, the operators thereof and  
2 of the patient, the amount claimed and the names and addresses  
3 of those claimed to be liable for damages. The information  
4 shall be recorded in the name of the patient. The judge of  
5 probate shall be paid one dollar (\$1) as his or her fee for  
6 the filing."

7 Section 2. Section 27-12-25 is added to the Code of  
8 Alabama 1975, to read as follows:

9 §27-12-25.

10 (a) Notwithstanding any other provision of law, any  
11 health insurer, any health care service plan organized under  
12 Article 6, Chapter 20, Title 10A, or any health maintenance  
13 organization organized under Chapter 21A, Title 27, which  
14 contracts for health insurance or pays for health care  
15 services, may not deny, delay, or defer payment of an  
16 otherwise valid claim for payment of health care services,  
17 because the insured, who is the injured person, has been or is  
18 being treated for injuries received under circumstances giving  
19 rise to a possible injury liability claim or a claim for  
20 benefits under an individual or group automobile insurance  
21 policy that provides uninsured motorist or medical payment  
22 coverage. Any provision in a health insurance policy or any  
23 provision in a hospital contract with a health care payor, as  
24 defined in Section 35-11-371, issued, entered into, amended,  
25 or renewed in this state on or after the effective date of the  
26 act which attempts to coordinate benefits in violation of this  
27 section is void and unenforceable.

1                   This section does not restrict a health insurer,  
2                   health care service plan, or health maintenance organization  
3                   from recouping payments from a responsible third party.

4                   (b) The Department of Insurance shall adopt rules to  
5                   carry out this section.

6                   Section 3. The amendatory language in Section  
7                   35-11-371, Code of Alabama 1975, and Section 2 shall apply  
8                   only to contracts entered into, amended, or renewed on or  
9                   after the effective date of this act.

10                  Section 4. This act shall become effective on the  
11                  first day of the third month following its passage and  
12                  approval by the Governor, or its otherwise becoming law.

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House of Representatives

Read for the first time and re-  
ferred to the House of Representa-  
tives committee on Insurance ..... 02-FEB-21

Read for the second time and placed  
on the calendar 1 amendment ..... 10-FEB-21

Read for the third time and passed  
as amended..... 07-APR-21

Yeas 85, Nays 1, Abstains 1

Jeff Woodard  
Clerk