

REFERENCE TITLE: **medical liens; insurance coverage**

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HB 2693

Introduced by
Representatives Aguilar: Austin, Bravo, De Los Santos, Gutierrez,
Hernandez L, Ortiz, Salman, Sandoval, Schwiebert, Seaman, Sun

AN ACT

AMENDING SECTION 33-931, ARIZONA REVISED STATUTES; RELATING TO HEALTH CARE
PROVIDER LIENS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 33-931, Arizona Revised Statutes, is amended to
3 read:

4 33-931. Lien of health care provider on damages recovered by
5 injured person receiving services; hospital
6 priority; enforcement

7 A. Every individual, partnership, firm, association, corporation or
8 institution or any governmental unit that maintains and operates a health
9 care institution or provides health care services in this state and that
10 has been duly licensed by this state, or any political subdivision or
11 private entity with ambulances operated, licensed or registered pursuant
12 to title 36, chapter 21.1, is entitled to a lien for the care and
13 treatment or transportation of an injured person as prescribed by
14 subsection E of this section. The lien shall be for the claimant's
15 customary charges for care and treatment or transportation of an injured
16 person. A lien pursuant to this section extends to all claims of
17 liability or indemnity, except health insurance and medical payments
18 coverage and underinsured motorist and uninsured motorist coverage as
19 defined in section 20-259.01, for damages accruing to the person to whom
20 the services are rendered, or to that person's legal representative, on
21 account of the injuries that gave rise to the claims and that required the
22 services.

23 B. If a county maintains, operates or provides health care
24 services, the county is entitled to an assignment by operation of law for
25 the care and treatment or transportation of an injured person as
26 prescribed by subsection E of this section. The assignment shall be for
27 the claimant's customary charges for care and treatment or transportation
28 of an injured person. An assignment pursuant to this section extends to
29 any claims of liability or indemnity, except health insurance and medical
30 payments coverage and underinsured motorist and uninsured motorist
31 coverage as defined in section 20-259.01, for damages accruing to the
32 person to whom the services are rendered, or to that person's legal
33 representative, on account of injuries that gave rise to the claims and
34 that required the services.

35 C. The lien entitlements authorized by subsection A of this section
36 and the assignment authorized by subsection B of this section are
37 applicable to all customary charges by hospitals or ambulances of
38 political subdivisions, but are restricted to customary charges in excess
39 of \$250 by all other providers and privately owned ambulance companies
40 excluding interest and service charges.

41 D. Liens perfected pursuant to this article by a hospital have
42 priority for payment over all other liens authorized by this article.

1 E. The liens and assignments authorized by this section are
2 enforceable by a cause of action prescribed by section 33-934 and are
3 subject to the following:

4 1. One-third of any third-party judgment, settlement or award is
5 exempt from any lien or assignment authorized by this section.

6 2. If the injured person is covered as an insured or dependent
7 under a health insurance or similar medical benefit plan and the health
8 care provider has a valid and binding contract with that insurer or plan
9 as an in-network provider, ~~the contract must expressly allow the health~~
10 ~~care provider to~~ THE HEALTH CARE PROVIDER MAY NOT assert a lien or
11 assignment that is authorized by this section. ~~In the absence of that~~
12 ~~contract provision, the~~ AND ANY PURPORTED lien or assignment is invalid
13 and may not be enforced by a cause of action prescribed by section 33-934
14 except as allowed under paragraph 3 or 4 of this subsection.

15 3. Paragraphs 1 and 2 of this subsection do not apply if any of the
16 following exceptions ~~are~~ IS met:

17 (a) The services provided are not covered by the injured person's
18 health insurance or similar medical benefit plan.

19 (b) The health care provider does not have a valid and binding
20 contract with the insurer or plan as an in-network provider.

21 (c) The injured person is not covered by any health insurance or
22 any similar medical benefit plan.

23 (d) The injured person and the health care provider have a written
24 and signed document stating that they elect not to use any coverage
25 potentially available under a health insurance or similar medical benefit
26 plan that covers the injured PERSON as an insured or dependent.

27 4. Notwithstanding paragraphs 1, 2, ~~and~~ 3 of this subsection, a
28 health care provider may enforce a lien or assignment authorized by this
29 section by a cause of action prescribed by section 33-934 for all amounts
30 for which a patient is personally responsible, including outstanding
31 coinsurance amounts, copayments and deductibles that are due under the
32 injured person's or dependent's health insurance or similar medical
33 benefit plan.

34 5. Any valid and enforceable lien or assignment authorized by this
35 section shall be compromised pursuant to the criteria prescribed by
36 section 33-937.

37 6. Any valid and enforceable lien or assignment authorized by this
38 section shall be subordinate to any lien with higher priority.

39 F. This section does not affect the rights of a health care
40 provider to enforce a consensual agreement, whether called a lien or
41 contract, against the patient who has signed the agreement.