

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 424**

As Recommended by Senate Committee on  
Financial Institutions and Insurance

**Brief\***

SB 424 would amend hospital lien filing and notification requirements to specify when filing a hospital lien in the district court, the hospital's written notice must set forth the amount of all of the hospital's claims, the name of the injured person, the date of the accident, and the name and location of the hospital. The hospital, under requirements in current law, must file the written notice prior to any money being paid as compensation for the injuries to the injured person, the person's attorneys or legal representatives.

The bill would delete other filing requirements from the notice to the district court, including an itemized statement of all claims, the name and address of the injured person, and the names of the parties alleged to be liable for the injuries. The bill also would eliminate a provision requiring the hospital to give notice to the potentially liable party and related insurance carrier, if known. Under an existing requirement, as modified by the bill, the hospital must send a copy of the written notice to the patient if the address is known or can, with reasonable diligence, be ascertained.

**Background**

The bill was introduced by the Senate Ways and Means Committee. At the Senate Committee on Financial Institutions and Insurance hearing, representatives of the Kansas Hospital Association and Via Christi Health appeared in

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\*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>

support of the bill. The Senior Counsel for Via Christi Health indicated the bill was in response to a recent Kansas Supreme Court decision, *Via Christi Regional Medical Center, Inc. vs. Ivan M. Reed* which held, in part, that strict compliance with the lien law was required for the hospital to have a valid lien. The bill, the conferee stated, is intended to simplify the hospital lien notice provision and allow a hospital to file a lien to protect its right to receive some payment for medical services from the proceeds of personal injury settlements or judgments. The Kansas Hospital Association representative and representatives from a revenue cycle management company provided information about the lien process and recovery efforts on behalf of hospitals. There was no other testimony.

The fiscal note prepared by the Division of the Budget states the bill would have no fiscal effect on state revenues or expenditures.