



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

SB 19-217

**REVISED
FISCAL NOTE**

(replaces fiscal note dated April 3, 2019)

Drafting Number: LLS 19-1019
Prime Sponsors: Sen. Foote; Tate
Rep. Snyder

Date: April 18, 2019
Bill Status: House Health & Insurance
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Bill Topic: HEALTHCARE PROVIDER LIENS

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue (<i>minimal</i>)	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill creates a healthcare provider lien. This bill increases state revenue and expenditures by a minimal amount on an ongoing basis.

Appropriation Summary: No appropriation required.

Fiscal Note Status: This fiscal note has been revised to reflect the reengrossed bill.

Summary of Legislation

This bill creates a healthcare provider lien. A healthcare provider lien is a lien created by a healthcare provider to recover charges for medical care provided to a person injured by the negligence or wrongful act of another person. The lien is asserted against money received by the injured party from a claim against a third party or an uninsured or under-insured motorist insurance policy. Before the creation of a healthcare provider lien, a healthcare provider must advise the injured person of all available methods for payment of the healthcare provider's charges for treating the injured person and billing options. This bill specifies information that a healthcare provider must provide to an injured party before he or she signs an agreement creating a healthcare provider lien. All future care may be billed to an insurance provider if the injured party or his or her lawyer notifies the healthcare provider that they have obtained health insurance.

A healthcare lien cannot exceed the cost of the health services provided based on the healthcare providers usual rate for the services provided and may not include finance charges. Upon request by the injured party or the injured party's attorney, a lien holder must provide an itemized statement of all billed charges that the lienholder claims are subject to the healthcare provider lien. A healthcare provider lien may be assigned to another person or entity and such assignment is not discoverable or admissible as evidence in any third-party civil claim.

State Revenue

Beginning in FY 2019-20, this bill increases Judicial Department civil filing fee revenue by a minimal amount from increased civil filings seeking to enforce or challenge a healthcare provider lien. The exact revenue impact will depend on the number of civil filings and the amount of damages sought. This revenue increase has not been estimated. For informational purposes, the civil filing fee for county court ranges from \$85 to \$135 depending on the amount of damages sought and the filing fee for district court is \$235. Civil cases seeking damages of less than \$25,000 may be filed in county or district court, while cases seeking damages over \$25,000 must be filed in district court. Civil filing fees are subject to TABOR; however, under the March 2019 Legislative Council Staff forecast, a TABOR surplus is not expected in FY 2019-20 or FY 2020-21.

State Expenditures

Beginning in FY 2019-20, this bill minimally increases Judicial Department and Department of Regulatory Agencies workload as described below.

Judicial Department. Workload for the trial courts in the Judicial Department will increase to process any healthcare provider lien civil court filings. Because civil filings already occur for other liens such as a hospital lien, and a judge can process over 500 civil filings per year, this increase is expected to be minimal and can be accomplished within existing resources.

Department of Regulatory Agencies. Workload in the Division of Professions and Occupations will increase by a minimal amount to update materials, respond to inquiries, and provide outreach to education healthcare providers about the healthcare provider lien. This workload can be accomplished within existing resources.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Corrections
Human Services
Judicial
Personnel
Regulatory Agencies

Counties
Information Technology
Municipalities
Public Health and Environment