

REFERENCE TITLE: **health care liens; limitation**

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

# **SB 1021**

Introduced by  
Senator Ugenti-Rita

## **AN ACT**

**AMENDING SECTION 33-931, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 7, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-937; 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, ~~it~~ **THE COUNTY** is entitled to an assignment by operation of law  
25 for 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 ~~two hundred fifty dollars~~ **\$250** by all other providers and privately  
40 owned ambulance companies 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.

43 **E. THE LIENS AND ASSIGNMENTS AUTHORIZED BY THIS SECTION ARE**  
44 **ENFORCEABLE BY A CAUSE OF ACTION PRESCRIBED BY SECTION 33-934 AND ARE**  
45 **SUBJECT TO THE FOLLOWING:**

1 1. THE FIRST \$20,000 OF ANY THIRD-PARTY JUDGMENT, SETTLEMENT OR  
2 AWARD IS EXEMPT FROM ANY LIEN OR ASSIGNMENT AUTHORIZED BY THIS SECTION.  
3 ANY LIEN THAT IS AUTHORIZED UNDER THIS SECTION FOR A CLAIMED AMOUNT DUE  
4 THAT IS EQUAL TO OR LESS THAN \$20,000 MUST BE PROMPTLY RELEASED ON WRITTEN  
5 REQUEST.

6 2. IF THE SERVICES PROVIDED ARE COVERED BY THE INJURED PERSON'S  
7 HEALTH INSURANCE OR SIMILAR MEDICAL BENEFIT PLAN WITH WHICH THE HEALTH  
8 CARE PROVIDER HAS A CONTRACT, THE CONTRACT MUST EXPRESSLY ALLOW THE  
9 CLAIMANT TO ASSERT A LIEN OR ASSIGNMENT THAT IS AUTHORIZED BY THIS  
10 SECTION. IN THE ABSENCE OF THAT CONTRACT PROVISION, THE LIEN OR  
11 ASSIGNMENT IS INVALID AND MAY NOT BE ENFORCED BY A CAUSE OF ACTION  
12 PRESCRIBED BY SECTION 33-934.

13 3. NOTWITHSTANDING PARAGRAPHS 1 AND 2 OF THIS SUBSECTION, IF THE  
14 SERVICES PROVIDED ARE NOT COVERED BY THE INJURED PERSON'S HEALTH INSURANCE  
15 OR SIMILAR MEDICAL BENEFIT PLAN IN WHICH THE HEALTH CARE PROVIDER HAS A  
16 CONTRACT WITH THE INSURER OR PLAN, OR IF THE INJURED PERSON IS NOT COVERED  
17 BY ANY HEALTH INSURANCE OR ANY SIMILAR MEDICAL BENEFIT PLAN, A CLAIMANT IS  
18 ENTITLED TO ENFORCE A LIEN OR ASSIGNMENT THAT IS AUTHORIZED BY THIS  
19 SECTION BY A CAUSE OF ACTION PRESCRIBED BY SECTION 33-934.

20 4. NOTWITHSTANDING PARAGRAPHS 1, 2, AND 3 OF THIS SUBSECTION, A  
21 CLAIMANT MAY ENFORCE A LIEN OR ASSIGNMENT AUTHORIZED BY THIS SECTION BY A  
22 CAUSE OF ACTION PRESCRIBED BY SECTION 33-934 FOR THE AMOUNT OF A PATIENT'S  
23 RESPONSIBILITY FOR OUTSTANDING COPAYMENTS AND DEDUCTIBLES THAT ARE DUE  
24 UNDER THE INJURED PERSON'S HEALTH INSURANCE OR SIMILAR MEDICAL BENEFIT  
25 PLAN.

26 5. ANY VALID AND ENFORCEABLE LIEN OR ASSIGNMENT AUTHORIZED BY THIS  
27 SECTION SHALL BE COMPROMISED PURSUANT TO THE CRITERIA PRESCRIBED BY  
28 SECTION 33-937.

29 Sec. 2. Title 33, chapter 7, article 3, Arizona Revised Statutes,  
30 is amended by adding section 33-937, to read:

31 33-937. Limitation of lien or assignment; compromise; cause  
32 of action; attorney fees

33 A. A HEALTH CARE PROVIDER SHALL COMPROMISE ANY LIEN OR ASSIGNMENT  
34 GRANTED PURSUANT TO SECTION 33-931 TO PROVIDE A SETTLEMENT OF THE CLAIM  
35 THAT IS FAIR AND EQUITABLE.

36 B. IN DETERMINING THE EXTENT OF THE COMPROMISE REQUIRED BY  
37 SUBSECTION A OF THIS SECTION, THE HEALTH CARE PROVIDER SHALL CONSIDER THE  
38 FOLLOWING FACTORS:

39 1. THE NATURE AND EXTENT OF THE PATIENT'S INJURY OR ILLNESS.

40 2. THE SUFFICIENCY OF INSURANCE OR OTHER SOURCES OF INDEMNITY  
41 AVAILABLE TO THE PATIENT.

42 3. ANY OTHER FACTOR RELEVANT TO A FAIR AND EQUITABLE SETTLEMENT  
43 UNDER THE CIRCUMSTANCES OF THAT PARTICULAR CASE.

1 C. IF THE PARTIES CANNOT AGREE ON A COMPROMISE OF A LIEN OR  
2 ASSIGNMENT AS PRESCRIBED BY THIS SECTION, AN INJURED PERSON WHOSE CARE,  
3 TREATMENT OR TRANSPORTATION IS SUBJECT TO A LIEN OR ASSIGNMENT PURSUANT TO  
4 SECTION 33-931 MAY FILE AN ACTION FOR A JUDICIAL DETERMINATION OF AN  
5 APPROPRIATE COMPROMISE OF THE LIEN OR ASSIGNMENT BASED ON THE FACTORS  
6 PRESCRIBED BY THIS SECTION. IN ANY ACTION BROUGHT PURSUANT TO THIS  
7 SECTION, THE PREVAILING PARTY MAY NOT RECOVER ATTORNEY FEES AUTHORIZED BY  
8 SECTION 33-934.

9 Sec. 3. Applicability

10 Section 33-931, Arizona Revised Statutes, as amended by this act,  
11 and section 33-937, Arizona Revised Statutes, as added by this act, apply  
12 to liens that are filed for services that are provided from and after  
13 December 31, 2022.