

First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 15-0865.01 Yelana Love x2295

**SENATE BILL 15-265**

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**SENATE SPONSORSHIP**

**Cadman,**

**HOUSE SPONSORSHIP**

**Hullinghorst,**

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**Senate Committees**  
Finance

**House Committees**  
Judiciary

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**A BILL FOR AN ACT**

101 **CONCERNING CONDITIONS THAT MUST BE MET BEFORE A HOSPITAL**  
102 **CARE LIEN IS CREATED.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill requires a hospital to submit charges for hospital care and services to a patient's payer of benefits, as defined in the bill, before a lien for hospital care is created.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

SENATE  
3rd Reading Unamended  
April 22, 2015

SENATE  
Amended 2nd Reading  
April 21, 2015

1           **SECTION 1.** In Colorado Revised Statutes, **amend** 38-27-101 as  
2 follows:

3           **38-27-101. Lien for hospital care.** (1) BEFORE A LIEN IS  
4 CREATED, every hospital duly licensed by the department of public health  
5 and environment, pursuant to part 1 of article 3 of title 25, C.R.S., which  
6 furnishes services to any person injured as the result of the negligence or  
7 other wrongful acts of another person and not covered by the provisions  
8 of the "Workers' Compensation Act of Colorado", ARTICLES 40 TO 47 OF  
9 TITLE 8, C.R.S., shall SUBMIT ALL REASONABLE AND NECESSARY CHARGES  
10 FOR HOSPITAL CARE OR OTHER SERVICES FOR PAYMENT TO THE PROPERTY  
11 AND CASUALTY INSURER AND THE PRIMARY MEDICAL PAYER OF BENEFITS  
12 AVAILABLE TO AND IDENTIFIED BY OR ON BEHALF OF THE INJURED PERSON,  
13 TO THE EXTENT PERMITTED BY STATE AND FEDERAL LAW.

14           (2) IF A HOSPITAL IS NOTIFIED OF A PAYER OF BENEFITS AFTER IT  
15 ASSERTS A LIEN PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE  
16 HOSPITAL SHALL MAKE REASONABLE ATTEMPTS TO SUBMIT REASONABLE  
17 AND NECESSARY CHARGES TO THE IDENTIFIED PAYER.

18           (3) IF NO PAYERS OF BENEFITS ARE IDENTIFIED FOR THE INJURED  
19 PERSON DUE TO LACK OF INSURANCE, A LIEN MAY BE CREATED.

20           (4) AFTER A HOSPITAL SATISFIES THE REQUIREMENTS OF  
21 SUBSECTIONS (1) AND (2) OF THIS SECTION, AND subject to ~~the provisions~~  
22 ~~of~~ this article, THE HOSPITAL SHALL have a lien for all reasonable and  
23 necessary charges for hospital care upon the net amount payable to ~~such~~  
24 THE injured person OR TO his OR HER heirs, assigns, or legal  
25 representatives out of the total amount of any recovery or sum had or  
26 collected, or to be collected, whether by judgment, settlement, or  
27 compromise, by ~~such~~ THE person OR his OR HER heirs or legal

1 representatives as damages on account of ~~such~~ THE injuries.

2 (5) NOTHING IN THIS SECTION AUTHORIZES A HOSPITAL TO  
3 COLLECT OR ATTEMPT TO COLLECT MONEY FROM A PERSON AS PROHIBITED  
4 BY SECTION 8-42-101 (4), 8-43-207 (1) (o), OR 10-16-705 (3), C.R.S.

5 (6) NOTHING IN THIS SECTION CHANGES ANY OBLIGATION OF THE  
6 HOSPITAL OR ITS AGENTS UNDER THE COLORADO MEDICAL ASSISTANCE  
7 ACT, ARTICLES 4 TO 6 OF TITLE 25.5, C.R.S.

8 (7) AN INJURED PERSON WHO IS SUBJECT TO A LIEN IN VIOLATION  
9 OF THIS SECTION MAY BRING AN ACTION IN A DISTRICT COURT TO RECOVER  
10 == TWO TIMES THE AMOUNT OF THE LIEN ATTEMPTED TO BE ASSERTED.

11 (8) The lien of attorneys and counselors at law created by section  
12 12-5-119, C.R.S., ~~shall have~~ HAS precedence over and ~~be~~ IS senior to the  
13 lien created under this section. ~~The provisions of This article shall~~ DOES  
14 not apply to any hospital charges incurred ~~subsequent to~~ AFTER THE DATE  
15 OF any such judgment, settlement, or compromise.

16 (9) FOR PURPOSES OF THIS SECTION, "PAYER OF BENEFITS" MEANS:

- 17 (a) AN INSURER;
- 18 (b) A HEALTH MAINTENANCE ORGANIZATION;
- 19 (c) A HEALTH BENEFIT PLAN;
- 20 (d) A PREFERRED PROVIDER ORGANIZATION;
- 21 (e) AN EMPLOYEE BENEFIT PLAN;
- 22 (f) A PROGRAM OF MEDICAL ASSISTANCE UNDER THE "COLORADO  
23 MEDICAL ASSISTANCE ACT", ARTICLES 4 TO 6 OF TITLE 25.5, C.R.S.;
- 24 (g) THE CHILDREN'S BASIC HEALTH PLAN, ARTICLE 8 OF TITLE 25.5,  
25 C.R.S.;
- 26 (h) ANY OTHER INSURANCE POLICY OR PLAN; OR
- 27 (i) ANY OTHER BENEFIT AVAILABLE AS A RESULT OF A CONTRACT

1 ENTERED INTO AND PAID FOR BY OR ON BEHALF OF AN INJURED PERSON.

2           **SECTION 2. Act subject to petition - effective date.** This act  
3 takes effect at 12:01 a.m. on the day following the expiration of the  
4 ninety-day period after final adjournment of the general assembly (August  
5 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a  
6 referendum petition is filed pursuant to section 1 (3) of article V of the  
7 state constitution against this act or an item, section, or part of this act  
8 within such period, then the act, item, section, or part will not take effect  
9 unless approved by the people at the general election to be held in  
10 November 2016 and, in such case, will take effect on the date of the  
11 official declaration of the vote thereon by the governor.