



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5656

by Rep. Timothy L. Schmitz

SYNOPSIS AS INTRODUCED:

770 ILCS 23/10

770 ILCS 23/15

Amends the Health Care Services Lien Act. Changes "verdict, judgment, award, settlement, or compromise" to "gross verdict, judgment, award, settlement, or compromise". Provides that "gross verdict, judgment, award, settlement, or compromise" means the total gross amount of a verdict, judgment, award, settlement, or compromise prior to any deductions for attorney fees, costs of litigation, or expenses of any kind that were incurred in pursuing the injured person's claim. Provides that the injured person bringing the claim or cause of action, or his or her attorney, shall notify all health care professionals and health care providers who billed for services related to the injuries involved in the claim or cause of action of their right to perfect a lien under the Act. Provides that the person giving notice shall include with the notice complete information relating to the claim or cause of action for all plaintiffs and all defendants, including, but not limited to, the following: the name and location of the court where the claim or cause of action is pending, the docket number, and a list of the parties and their attorneys. Provides that a lien holder may intervene in the claim or cause of action for the sole purpose of protecting the interest as set forth in the lien. Provides that the injured person, or his or her authorized representative, shall provide written notice to a lien holder when a case is dismissed or a judgment is entered against the injured person.

LRB098 15176 HEP 50918 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Health Care Services Lien Act is amended by
5 changing Sections 10 and 15 as follows:

6 (770 ILCS 23/10)

7 Sec. 10. Lien created; limitation.

8 (a) Every health care professional and health care provider
9 that renders any service in the treatment, care, or maintenance
10 of an injured person, except services rendered under the
11 provisions of the Workers' Compensation Act or the Workers'
12 Occupational Diseases Act, shall have a lien upon all claims
13 and causes of action of the injured person for the amount of
14 the health care professional's or health care provider's
15 reasonable charges up to the date of payment of damages to the
16 injured person. The total amount of all liens under this Act,
17 however, shall not exceed 40% of the gross verdict, judgment,
18 award, settlement, or compromise secured by or on behalf of the
19 injured person on his or her claim or right of action. As used
20 in this Section, "gross verdict, judgment, award, settlement,
21 or compromise" means the total gross amount of a verdict,
22 judgment, award, settlement, or compromise prior to any
23 deductions for attorney fees, costs of litigation, or expenses

1 of any kind that were incurred in pursuing the injured person's
2 claim.

3 (a-5) The injured person bringing the claim or cause of
4 action, or his or her attorney, shall notify all health care
5 professionals and health care providers who billed for services
6 related to the injuries involved in the claim or cause of
7 action of their right to perfect a lien under this Act. The
8 person giving notice under this subsection (a-5) shall include
9 with the notice complete information relating to the claim or
10 cause of action for all plaintiffs and all defendants,
11 including, but not limited to, the following: the name and
12 location of the court where the claim or cause of action is
13 pending, the docket number, and a list of the parties and their
14 attorneys. A health care professional or health care provider
15 who perfects a lien under subsection (b) of this Section may
16 intervene in the claim or cause of action for the sole purpose
17 of protecting the interest as set forth in the lien.

18 (b) The lien shall include a written notice containing the
19 name and address of the injured person, the date of the injury,
20 the name and address of the health care professional or health
21 care provider, and the name of the party alleged to be liable
22 to make compensation to the injured person for the injuries
23 received. The lien notice shall be served on both the injured
24 person and the party against whom the claim or right of action
25 exists. Notwithstanding any other provision of this Act,
26 payment in good faith to any person other than the healthcare

1 professional or healthcare provider claiming or asserting such
2 lien prior to the service of such notice of lien shall, to the
3 extent of the payment so made, bar or prevent the creation of
4 an enforceable lien. Service shall be made by registered or
5 certified mail or in person.

6 (c) All health care professionals and health care providers
7 holding liens under this Act with respect to a particular
8 injured person shall share proportionate amounts within the
9 statutory limitation set forth in subsection (a). The statutory
10 limitations under this Section may be waived or otherwise
11 reduced only by the lienholder. No individual licensed category
12 of health care professional (such as physicians) or health care
13 provider (such as hospitals) as set forth in Section 5,
14 however, may receive more than one-third of the gross verdict,
15 judgment, award, settlement, or compromise secured by or on
16 behalf of the injured person on his or her claim or right of
17 action. If the total amount of all liens under this Act meets
18 or exceeds 40% of the gross verdict, judgment, award,
19 settlement, or compromise, then:

20 (1) all the liens of health care professionals shall
21 not exceed 20% of the gross verdict, judgment, award,
22 settlement, or compromise; and

23 (2) all the liens of health care providers shall not
24 exceed 20% of the gross verdict, judgment, award,
25 settlement, or compromise;

26 provided, however, that health care services liens shall be

1 satisfied to the extent possible for all health care
2 professionals and health care providers by reallocating the
3 amount unused within the aggregate total limitation of 40% for
4 all health care services liens under this Act; and provided
5 further that the amounts of liens under paragraphs (1) and (2)
6 are subject to the one-third limitation under this subsection.

7 If the total amount of all liens under this Act meets or
8 exceeds 40% of the gross verdict, judgment, award, settlement,
9 or compromise, the total amount of all the liens of attorneys
10 under the Attorneys Lien Act shall not exceed 30% of the gross
11 verdict, judgment, award, settlement, or compromise. If an
12 appeal is taken by any party to a suit based on the claim or
13 cause of action, however, the attorney's lien shall not be
14 affected or limited by the provisions of this Act.

15 (d) If services furnished by health care professionals and
16 health care providers are billed at one all-inclusive rate, the
17 total reasonable charges for those services shall be reasonably
18 allocated among the health care professionals and health care
19 providers and treated as separate liens for purposes of this
20 Act, including the filing of separate lien notices. For
21 services provided under an all-inclusive rate, the liens of
22 health care professionals and health care providers may be
23 asserted by the entity that bills the all-inclusive rate.

24 (e) Payments under the liens shall be made directly to the
25 health care professionals and health care providers. For
26 services provided under an all-inclusive rate, payments under

1 liens shall be made directly to the entity that bills the
2 all-inclusive rate.

3 (Source: P.A. 93-51, eff. 7-1-03.)

4 (770 ILCS 23/15)

5 Sec. 15. Notice of judgment or award or dismissal.

6 (a) A judgment, award, settlement, or compromise secured by
7 or on behalf of an injured person may not be satisfied without
8 the injured person or his or her authorized representative
9 first giving notice of the judgment, award, settlement, or
10 compromise to the health care professional or health care
11 provider that rendered a service in the treatment, care, or
12 maintenance of the injured person and that has served a lien
13 notice pursuant to subsection (b) of Section 10. The notice
14 shall be in writing and served upon the lien holder or, in the
15 case of a lien holder operated entirely by a unit of local
16 government, upon the individual or entity authorized to receive
17 service under Section 2-211 of the Code of Civil Procedure.

18 (b) The injured person, or his or her authorized
19 representative, shall provide written notice to a lien holder
20 when a case is dismissed or a judgment is entered against the
21 injured person. The injured person, or his or her
22 representative, shall serve the notice on the lien holder in
23 the same manner as the notice under subsection (a) of this
24 Section.

25 (Source: P.A. 93-51, eff. 7-1-03.)