



Medical Provider Liens/Outstanding Medical Balances

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Medical Provider Liens

Outstanding Medical Balances

Written by Elaine Jensen

Is it a lien or is just an outstanding medical provider balance? Technically, in Wisconsin the only type of medical lien applicable to a personal injury claim would be a Hospital Lien. Hospital liens are governed by Sec. 779.80, WI Stats and are applicable to "organization operating as a charitable institution and maintain a hospital in the state". A hospital lien, when filed properly, will attach to the rights of a third-party claim or lawsuit. A hospital lien must be in writing and filed with the office of the clerk of circuit court in the county where the injuries occurred, where the hospital is located or in which the suit for recovery of damages are pending. The hospital is required to provide notice to your client, however, your client may or may not advise you of the existence of such a lien. As a matter of habit, I run a CCAP check for my clients to identify if a hospital lien is noted. Additionally, this information should also be available when I contact the each provider for inquire as to whether they have any outstanding balances.

The mere fact that a hospital holds a lien, doesn't mean you will not have the opportunity to negotiate their lien amount with them. There are many situations where the amount of insurance coverage available is less than sufficient to satisfy all medical bills/liens or subrogated interests. In those situations,

many hospitals will at least be willing to have a discussion and consider accepting a reduced amount in satisfaction of their lien. If you find yourself in that situation, you will need to contact the patient billing office for the hospital and inquire as to who would have the authority to have such a discussion.

Any other medical provider balances, are just that. They are medical bills that your client is personally financially obligated to satisfy. As with a hospital lien, the medical providers are often willing to negotiate their balances to secure payment and not have to deal with the hassle of collections, especially if your client has very limited funds.

In cases where it is apparent that the client is going to have medical bills that they are going to be unable to pay, I will encourage them to contact the medical providers and either ask for a payment plan or consideration of waiver based on inability to pay. Some medical providers are more willing to work with patients than others. These types of contacts are better being initiated by the patient/your client if at all possible. If the client has made this attempt and gets nowhere, then we will often contact the provider directly and see what they are willing to do. Some medical providers will ask that the attorney provide a "letter of protection" essentially indicating that they will be paid out of the settlement proceeds. This needs to be done with caution. Any such letter of protection should be approved by and signed by the attorney, and should make it clear that the attorney and/or law firm are not making a personal guarantee of payment. The letter should also make it clear that it is not a promise of payment but that payment will be considered at the

time of resolution, if, and only if, the proceeds of settlement are sufficient. For some providers this is enough for them to at least hold the account until the case is settled, and other providers simply will not accept a letter of protection. If the attorney has agreed to provide a letter of protection I will make such a notation on the Subro Settlement Memo to remind the attorney that such a letter was provided. At the end of the day, however, for outstanding medical bills, it is the client's decision on what gets paid out of the settlement other than hospital liens or subrogation liens. We encourage clients to let us get all medical bills cleared up at the time of settlement so it is something they do not need to worry about in the future. Just because the case settles, doesn't mean those bills will go away. If a client chooses not to have certain bills paid, that is something that should be confirmed with the client in writing, and it is best to have the client sign something acknowledging that those bills will remain their personal responsibility. When a case is completed we draft a Settlement Approval Statement. It is a complete breakdown of the settlement amount and how the proceeds are being distributed. Prior to settlement funds being disbursed, we ask each client to sign the Settlement Approval Statement acknowledging each item coming out of the settlement. The Settlement Approval Statement also contains an acknowledgement that any bills not specifically identified as paid remain the responsibility of the client, in fact, if you are aware of specific bills that are outstanding but not being paid, you may want to identify them on the form.

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