
ASSEMBLY BILL NO. 56—COMMITTEE ON JUDICIARY

(ON BEHALF OF CLARK COUNTY)

FEBRUARY 16, 2005

Referred to Committee on Judiciary

SUMMARY—Revises various provisions governing enforcement of liens by hospitals. (BDR 9-412)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to liens; expanding the list of persons upon whom a hospital is required to serve a notice of lien under certain circumstances; extending the period of limitation for a hospital to enforce a lien to recover certain unpaid costs of providing services to an injured person who has received compensation from a third party pursuant to a judgment or settlement; authorizing a hospital to bring an action against certain persons who have received such payments for compensation and have not paid the hospital for the services rendered to the injured person; removing the prohibition against a hospital foreclosing a lien upon real property while certain persons reside on the property and hold title to the property; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Under existing law, a hospital which provides services to an injured person
- 2 holds a lien against any money awarded to that person for his injury by judgment,
- 3 settlement or compromise. (NRS 108.590) Under existing law, a hospital is
- 4 required to take certain actions to claim a right to the money paid to the injured
- 5 person, including providing notice of the lien to the person alleged to be
- 6 responsible and liable for the injury as well as the insurance provider, if known.
- 7 (NRS 108.610) If the person or insurance provider that received the notice pays the
- 8 injured person or another person on behalf of the injured person without paying the
- 9 hospital, the hospital may sue the person or insurance provider that had the notice



and made the payment. The hospital has 180 days after such a payment has been made to bring the lawsuit. (NRS 108.650)

This bill extends the period for commencing such a lawsuit to 2 years after the date that the payment has been made. This bill also requires the hospital to provide notice of the lien to the injured person and certain other persons including his attorney. Further, this bill makes the people who receive notice of lien liable to the hospital for any payment they receive for the services provided by the hospital under certain circumstances.

Existing law provides certain requirements for a hospital to foreclose on a lien including that the hospital must file a lawsuit to foreclose the lien within 2 years after the recording date of the lien. Existing law prohibits a hospital from foreclosing a lien on real property if the owner, a co-owner, or certain members of the owner's family, resides on and holds title to the property. (NRS 108.665)

This bill removes the provision which prohibited a hospital from foreclosing a lien on real property when certain persons reside on and hold title to that property.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 108.610 is hereby amended to read as follows:

108.610 In order to perfect the lien, the hospital or the owner or operator thereof shall:

1. Before the payment of any money to the injured person or to his legal representative as compensation for injuries received, record a notice of lien, substantially in the form prescribed in NRS 108.620, containing an itemized statement of the amount claimed. The notice of lien must be filed with:

(a) The county recorder of the county wherein the hospital is located; and

(b) The county recorder of the county wherein the injury was suffered, if the injury was suffered in a county other than that wherein the hospital is located.

2. Before the date of judgment, settlement or compromise, serve a certified copy of the notice of lien by registered or certified mail upon the ~~person~~:

(a) *Person* alleged to be responsible for causing the injury and liable for damages on account thereof and from which damages are claimed ~~;~~

~~3. Before the date of judgment, settlement or compromise, serve a certified copy of the notice of lien by registered or certified mail upon the insurance;~~

(b) *Insurance* carrier, if known, which has insured against liability of the person alleged to be responsible for causing the injury and liable for damages on account thereof and from which damages are claimed ~~;~~;

(c) *Injured person*;



(d) The heirs of the injured person known to the hospital or the owner or operator thereof;

(e) The personal representative of the injured person, if any; and

(f) Each attorney representing the injured person.

Sec. 2. NRS 108.650 is hereby amended to read as follows:

108.650 1. Any person or ~~his~~ insurer who, after the receipt of a certified copy of the notice of lien pursuant to NRS 108.610, makes any payment to the injured person, his heirs, personal representatives or the attorney for any of them, as compensation for the injury suffered, without paying the hospital the reasonable value of hospitalization rendered to the injured person and claimed in its notice of lien or so much thereof as can be satisfied out of the money due under any final judgment, settlement or compromise, after paying the attorney's fees, costs and expenses incurred in connection therewith and any prior liens, is, for a period of ~~180 days~~ *2 years* after the date of that payment, liable to the hospital for the amount or part thereof which the hospital was entitled to receive. The hospital has, within that period, a cause of action or other claim for relief against the person or insurer making the payment, which may be prosecuted and maintained in any county wherein the notice of lien was filed.

2. *Any injured person, heir of an injured person, personal representative of an injured person or attorney who, after the receipt of a certified copy of the notice of lien pursuant to NRS 108.610, receives any payment from a person alleged to be responsible for causing the injury and liable for damages on account thereof or from an insurer which has insured against liability of the person alleged to be responsible, as compensation for the injury suffered, without the hospital having been paid the reasonable value of hospitalization rendered to the injured person and claimed in its notice of lien or so much thereof as can be satisfied out of the money due under any final judgment, settlement or compromise, after paying the attorney's fees, costs and expenses incurred in connection therewith and any prior liens, is, for a period of 2 years after the date of receiving that payment, liable to the hospital for the amount or part thereof which the hospital was entitled to receive. The hospital has, within that period, a cause of action or other claim for relief against the injured person, heir of the injured person, personal representative of the injured person or attorney receiving the payment, which may be prosecuted and maintained in any county wherein the notice of lien was filed.*



3. If the hospital is publicly owned or not for profit, the person , ~~for his~~ insurer , *injured person, heir, personal representative or attorney* shall make the payment to the hospital by issuing to the hospital a separate check or other negotiable instrument.

Sec. 3. NRS 108.662 is hereby amended to read as follows:

108.662 1. Except as otherwise provided in subsection 4, a county or district hospital has a lien upon the real property of a person for charges incurred and unpaid for the care of the owner of the property or a person for whose support the owner is legally responsible.

2. The notice of the lien must be served upon the owner by certified or registered mail and filed in the office of the county recorder of the county where the real property is located not sooner than 90 days nor later than:

(a) Three years after the patient's discharge; or

(b) One year after the patient defaults on payments made pursuant to a written contract,
↳ whichever is later, except that the notice may be served and filed within 6 months after any default pursuant to a written contract.

3. The notice of the lien must contain:

(a) The amount due;

(b) The name of the owner of record of the property; and

(c) A description of the property sufficient for identification.

4. If the amount due as stated in the notice of lien is reduced by ~~payments and any person listed in subsection 2 of NRS 108.665 gives written notice of that reduction to the county or district hospital which recorded the lien,~~ *a payment*, the county or district hospital shall amend the notice of lien , stating the amount then due, within 10 days after it receives the ~~written notice,~~ *payment*.

Sec. 4. NRS 108.665 is hereby amended to read as follows:

108.665 1. A ~~lien for charges owed to a~~ hospital may ~~be foreclosed by a suit~~ *foreclose upon a lien for money owed to the hospital as a result of charges incurred and unpaid for care rendered by action* in the district court in the same manner as ~~an action~~ for foreclosure of any other lien.

2. ~~The lien may not be foreclosed during the:~~

~~—(a) Lifetime of the owner of the property, his spouse, his dependent adult child if that child is mentally or physically disabled or a joint tenant if he was a joint tenant at the time of the patient's discharge; or~~

~~—(b) Minority of any child of the owner;~~



1 ~~→ if the owner or joint tenant resides on the property, or his spouse,~~
2 ~~dependent or minor child resides on the property and has acquired~~
3 ~~title thereto.~~

4 ~~—3.]~~ If the hospital does not file a suit to foreclose the lien
5 within 2 years after the date the notice of lien is recorded by
6 the hospital, the lien is extinguished.

7 **Sec. 5.** This act becomes effective on July 1, 2005.



