

“I thought my health insurance already paid for this?”

Have you ever gone to the hospital because of someone else’s negligence, as the result of a car accident, for example? If so, sometime after your hospital visit, you probably received notice of a health care lien which said, “pursuant to this lien, the hospital must be paid for its services out of any and all proceeds received from any third party, payable under claims pertaining to this accident...” And in addition, “the hospital has priority for payment over all other health care providers.” You may have thought to yourself, “What is this?” And more importantly, “I thought my health insurance already paid the hospital?”

In most situations, you would be absolutely right. Nevertheless, the hospital is attempting to collect additional funds through a practice called “balance billing.” Hospitals engaging in this practice hope to collect the difference between what the hospital has agreed to accept from your health insurance company and what the hospital would like to collect had it not already negotiated preferential payment schedules with your health insurance company. Because these balance billing health care liens extend only to claims of liability or indemnity, this practice has, in effect, turned patients who are injured rather than ill into hospital collection agents. The hospitals rely on injured patients to bring indemnity claims against whomever they believe was the cause of their injury. If, and when, the patient secures a judgment against the defendant, the hospital demands a portion of that award. And since these liens are only enforceable against the party liable for the injuries, the patient will never see the indemnity proceeds unless and until the hospital’s lien has been satisfied.

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There is no question that hospitals, and their doctors and nurses, should be fairly compensated for the care and treatment they provide. If this is not happening, hospitals should reevaluate the payment schedules they

have negotiated with health insurers rather than strong-arm injured patients into paying twice. Hospitals argue that they are simply collecting their customary charge because Arizona law allows health care provider liens for “customary charges.” The issue, however, hinges on the definition of a “customary charge.”

Should the “customary charge” be the amount which appears on your bill, or the funds the hospital regularly collects for the service provided? I think that to say the charge reflected by a balance billing lien is the hospital’s customary charge is the same as saying that the sticker price on a new car reflects the dealer’s customary charge for that vehicle, when the truth is, no one ever pays sticker price.

It’s an interesting issue. You decide what’s fair and reasonable.

— Jessica E. Feingold

KBSDS in the Community



Jim Dyer has been chosen to serve as the next President of the Pima County Bar Association. The mission of the Pima County Bar Association is to provide service and leadership to the public and to the profession; to provide to all people of

Pima County access to and awareness of the law, and to promote respect for and satisfaction in the profession. We congratulate Jim and look forward to the start of his term.



Bob Beal is the 2006 winner of the National Football Foundation and Collegiate Hall of Fame “Outstanding Contribution to Amateur Football” Award as a consequence of his 27 years of NCAA football officiating and the innumerable contributions he has made to the

teaching and development of local football officiating crews over these three decades.