

House Bill 2606

Sponsored by Representative HAYDEN (at the request of Danny Lang) (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Reduces amount of lien against personal injury judgment, settlement or compromise secured by recipient of assistance by procurement costs of recipient in securing personal injury judgment, settlement or compromise.

A BILL FOR AN ACT

1
2 Relating to procurement costs of recipient of assistance in securing compensation for personal in-
3 jury; creating new provisions; and amending ORS 416.540 and 416.580.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 416.540 is amended to read:

6 416.540. (1) Except as provided in subsection (2) of this section and in ORS 416.590, the De-
7 partment of Human Services and the Oregon Health Authority shall have a lien upon the amount
8 of any judgment in favor of a recipient or amount payable to the recipient under a settlement or
9 compromise for all assistance received by such recipient from the date of the injury of the recipient
10 to the date of satisfaction of such judgment or payment under such settlement or compromise.

11 (2) The **amount of the** lien [*does not attach to the amount of any judgment, settlement or com-*
12 *promise to the extent of*] **shall be reduced by the procurement costs incurred by the recipient**
13 **in securing the judgment, settlement or compromise, including but not limited to:**

14 (a) [*Attorney's*] **Attorney** fees, costs and expenses incurred by a recipient in securing [*such*] **the**
15 judgment, settlement or compromise [*and to the extent of*]; **and**

16 (b) Medical, surgical and hospital expenses incurred by the recipient on account of the personal
17 injuries for which the recipient had a claim.

18 (3) The authority may assign the lien described in subsection (1) of this section to a prepaid
19 managed care health services organization or a coordinated care organization for medical costs in-
20 curred by a recipient:

21 (a) During a period for which the authority paid a capitation or enrollment fee or a payment
22 using a global payment methodology; and

23 (b) On account of the personal injury for which the recipient had a claim.

24 (4) A prepaid managed care health services organization or a coordinated care organization to
25 which the authority has assigned a lien shall notify the authority no later than 10 days after filing
26 notice of a lien.

27 (5) For the purposes of ORS 416.510 to 416.610, the authority may designate the prepaid managed
28 care health services organization or the coordinated care organization to which a lien is assigned
29 as its designee.

30 (6) If the authority and a prepaid managed care health services organization or a coordinated
31 care organization both have filed a lien, the authority's lien shall be satisfied first.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 **SECTION 2.** ORS 416.580 is amended to read:

2 416.580. (1) After a notice of lien is filed in the manner provided in ORS 416.550 (2), any person
3 or public body, agency or commission who makes any payment to the injured recipient, the heirs,
4 personal representatives or assigns of the recipient, or their attorneys, under a judgment, settlement
5 or compromise without previously having paid to the Department of Human Services or the Oregon
6 Health Authority the amount of its lien, shall be liable to the State of Oregon, for the use and
7 benefit of the department or the authority for a period of 180 days after the date of such payment
8 for the amount of such payment [*to the extent that the lien attached thereto*] **up to the amount of**
9 **the lien** under ORS 416.540.

10 (2) Any amount paid to the department or the authority in satisfaction of its lien shall be dis-
11 tributed by the department or the authority to the United States Government and the Public Welfare
12 Account, as their interests may appear.

13 (3) If the recipient is a minor, no payments to the department or the authority in satisfaction
14 of its lien and, except to the extent of the fees, costs and expenses specified in ORS 416.540 (2), no
15 payments to the recipient under a judgment, settlement or compromise shall be made until a hearing
16 has taken place and the court has issued its order under ORS 416.590.

17 **SECTION 3. The amendments to ORS 416.540 and 416.580 by sections 1 and 2 of this 2019**
18 **Act apply to notices of liens filed in accordance with ORS 416.570 on or after the effective**
19 **date of this 2019 Act.**

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