The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Angela L. De Jean.

DIGEST

Proposed law defines "third party" as a tortfeasor, liability insurer or indemnity insurer.

<u>Present law</u> provides that a health care provider, hospital or ambulance service which furnishes services to an injured person shall have a privilege for certain charges or fees on the net amount payable to the injured person.

<u>Proposed law</u> provides that the privilege created by <u>present law</u> is on the net amount payable by a third party to the injured person.

<u>Proposed law</u> provides that when a health care provider, hospital or ambulance service seeks to enforce the privilege created by <u>present law</u> the enforcement shall not be considered an attempt to collect from the injured person.

<u>Proposed law</u> additionally provides that when the health care provider, hospital or ambulance service enforces the privilege, any health and accident insurance the injured party shall become secondary to this privilege.

<u>Present law</u> provides that prior to the payment of insurance proceeds, any judgment, settlement or compromise, the privilege created shall become effective if certain conditions are met.

<u>Proposed law</u> provides that the privilege will become effective if certain conditions are met prior to the payment of insurance proceeds, or the payment of any judgment, settlement, or compromise by a third party.

Effective August 15, 2011.

(Amends R.S. 9:4752 and 4753(A); adds R.S. 9:4751(5))