

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



JOHN WALSH
LT. GOVERNOR

May 6, 2013

The Honorable Linda McCulloch
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary McCulloch:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill 473 (HB 473), "AN ACT GENERALLY REVISING HEALTH CARE PROVIDER AND HEALTH CARE FACILITIES LIEN LAWS; EXPANDING LIENS TO INCLUDE OPTOMETRISTS, PODIATRISTS, REHABILITATION FACILITIES, AND LONG-TERM CARE FACILITIES; REQUIRING NOTICE TO ALL KNOWN PAYERS WHEN AN ACTION IS COMMENCED AND A NOTICE OF LIEN IS FILED; AMENDING SECTIONS 71-3-1111, 71-3-1112, 71-3-1114, 71-3-1115, 71-3-1116, 71-3-1117, AND 71-3-1118, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

HB 473 expands Montana's medical lien laws to include optometrists, podiatrists, rehabilitation facilities and long-term care facilities as providers entitled to assert a lien when their patients are injured through the fault of a third party or are the beneficiary of insurance. This aspect of HB 473 is appropriate, and if those changes were the only amendments to the medical lien laws, I would sign HB 473 without hesitation.

Unfortunately, however, HB 473 also includes amendments to Montana's medical lien laws that are inappropriate, unnecessary, and internally inconsistent. When a patient has health insurance, that patient is entitled under Montana law to receive the benefits of that health insurance, even if the patient also has a liability claim against a third party. Medical providers are entitled to assert liens for any unpaid medical bills. The amendments in Sections 3 and 5 of HB 473 would inappropriately allow providers to effectively demand direct payment from third party liability insurers. While such direct payments may be appropriate under some circumstances, they are not appropriate in others.

The amendments in sections 3 and 5 of HB 473 are unnecessary. Montana's current lien laws give providers sufficient protection and the ability to enforce their liens.

Finally, section 3 of HB 473 contains internally inconsistent provisions in subsections (2)(b) and (3), with respect to the priority of attorney liens. Subsection (2)(b) provides that direct payment to a provider fully satisfies a lien, including an attorney lien, while subsection (3) provides that an

Secretary McCulloch
May 6, 2013
Page2

attorney lien has priority over a medical lien. These contradictory provisions are likely to result in unnecessary and counterproductive conflicts and potential litigation.

For these reasons, I veto HB 473.

Sincerely,



STEVE BULLOCK
Governor

cc: Legislative Services Division
Mark Blasdel, Speaker of the House
Jeff Essmann, President of the Senate