

House Bill 484

By: Representative Welch of the 110th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 8 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated,
2 relating to liens, so as to provide for the resolution of disputes in which a medical funding
3 provider has provided payment to a consumer's health care provider; to provide for
4 definitions; to prohibit certain activities of medical funding providers; to provide for certain
5 the admissibility of certain evidence at trial; to provide a short title; to provide for related
6 matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 This Act shall be known and may be cited as the "Georgia Medical Funding Act."

10 **SECTION 2.**

11 Article 8 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated, relating to
12 liens, is amended by adding a new part to read as follows:

13 "Part 8A

14 44-14-480.

15 As used in this part, the term:

16 (1) 'Collateral sources' means payments paid on behalf of a consumer by licensed
17 commercial health insurers, Medicaid, Medicare, licensed workers compensation
18 insurers, or any employment benefit plan.

19 (2) 'Consumer' means any natural person who resides, is present, or domiciled in this
20 state or who is or may become a plaintiff or claimant in any claim or suit for bodily
21 injuries in this state.

22 (3) 'Medical funding' means a transaction in which a third-party purchases medical bills
23 or accounts from a health care provider or otherwise pays for services rendered by a

24 health care provider and obtains a lien against or right to recover from the settlement or
25 proceeds from the consumer's bodily injury claim or lawsuit in an amount greater than
26 the purchase amount. The term does not include any payments or agreements to pay that
27 are collateral sources.

28 (4) 'Medical funding provider' means a person, entity, or partnership engaged in the
29 business of medical funding.

30 44-14-481.

31 In any dispute in which a medical funding provider has provided payment to any
32 consumer's health care provider:

33 (1) Any agreement entered into between a medical funding provider and the consumer's
34 health care provider regarding payment for services rendered to the consumer shall be
35 disclosed to the consumer at the earlier of the time that the treatment is rendered or the
36 time that such agreement is entered into;

37 (2) The amount a medical funding provider paid to the consumer's health care provider
38 for any services rendered shall be disclosed to the consumer at the earlier of the time that
39 the treatment is rendered or the time that such agreement is entered into;

40 (3) To the extent the consumer asserts a claim for bodily injury against a tortfeasor, an
41 insurance carrier, or both, any agreement entered into between a medical funding
42 provider and the consumer's health care provider regarding payment for services rendered
43 to the consumer shall be disclosed by the consumer to the tortfeasor and the insurance
44 carrier, as applicable;

45 (4) To the extent the consumer files a lawsuit for bodily injury against a tortfeasor, an
46 insurance carrier, or both, any agreement entered into between a medical funding
47 provider and the consumer's health care provider regarding payment for services rendered
48 to the consumer shall be discoverable and admissible into evidence at the trial of such
49 suit; and

50 (5) To the extent the consumer files a lawsuit for bodily injury against a tortfeasor, an
51 insurance carrier, or both, any financial relationship or agreements entered into between
52 a medical funding provider and the consumer's health care provider regarding payment
53 for services rendered to the consumer by a health care provider, as well as evidence of
54 any ongoing financial relationship between the medical funding provider and the
55 consumer's health care provider, shall be admissible into evidence at the trial of such suit
56 to show the potential bias and credibility of any causation testimony offered by the
57 consumer's health care providers.

58 44-14-482.

59 A medical funding provider shall not:

60 (1) Pay or offer to pay commissions, referral fees, or other forms of consideration to any
61 attorney, law firm, or health care provider or any of their employees for referring a
62 consumer to a specific health care provider or attorney;

63 (2) Refer a consumer or potential consumer to a specific attorney, law firm, or health
64 care provider or any of their employees; provided, however, that if a consumer does not
65 have legal representation, the medical funding provider may refer the consumer to a local
66 or state bar referral service operated by a bar association or a nonprofit organization;

67 (3) Fail to promptly supply, upon request, copies of any and all complete medical
68 funding contracts regarding payment for services rendered to the consumer and any
69 attorney representing the consumer upon request;

70 (4) Accept any commissions, referral fees, rebates, or other forms of consideration from
71 an attorney, law firm, or health care provider or any of their employees; or

72 (5) Make a decision relating to the conduct, settlement, or resolution of the underlying
73 legal claim, the power of which shall remain solely with the consumer.

74 44-14-483.

75 To the extent the consumer files a lawsuit for bodily injury against a tortfeasor, an
76 insurance carrier, or both, and seeks to recover the charges associated with any bill or
77 account that was the subject of a medical funding transaction, any violation of
78 paragraph (1), (2), or (4) of Code Section 44-14-281 shall be admissible into evidence at
79 the trial of such suit."

80 **SECTION 3.**

81 All laws and parts of laws in conflict with this Act are hereby repealed.