B & D LAW GROUP APLC

FOR MEDICAL PROVIDERS WHO TREAT INJURED PATIENTS

Getting Paid on Injury Cases

A provider's guide to liens, letters of protection and settlement timing in California

How personal injury treatment actually gets paid, what protects your bill, why payment takes as long as it does, and what to expect from the attorney on the other end of the file.

Why this guide exists

Most providers who hesitate to take injury patients have the same worry: **will I ever get paid, and when?** The honest answer is that payment on an injury case depends on how the treatment is financed, how the bill is protected, and how long the claim takes to resolve.

This guide walks through each of those in plain English. It is written for practice owners, billing managers and front desk staff at chiropractic, physical therapy, orthopedic, pain management, imaging and urgent care offices.

> **A NOTE BEFORE YOU READ**
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> This is general information about California law and common practice, current as of September 2026. It is not legal advice to your practice. Have your own counsel review your lien and intake paperwork.

The three ways injury treatment gets paid

Payment route	How it works	What to watch
Patient's health insurance	You bill the plan as usual. The plan may later claim reimbursement from the injury settlement.	California caps many health plan liens at one third of the recovery when the patient has a lawyer, or one half when they do not (Civ. Code § 3040). Your contracted rate is usually your ceiling.
Medical payments (med pay) coverage	Optional coverage on the patient's own auto policy that pays medical bills regardless of fault. The minimum offered is $1,000 per person.	Limits are often small and run out fast. Ask for the claim number at intake.
Treating on a lien or letter of protection	You treat now and are paid from the settlement or judgment when the case resolves.	You carry the balance for the life of the case. Your paperwork is what protects you.

What actually protects your bill

Hospitals have a statutory lien. Most providers do not.

California's Hospital Lien Act gives a licensed hospital a lien on the patient's recovery for emergency and ongoing care (Civ. Code § 3045.1). Even that lien is limited: a payer who ignores it is liable only up to what can be satisfied out of 50 percent of the recovery after prior liens are paid (§ 3045.4).

The statute does not give physicians, chiropractors, physical therapists or imaging centers an automatic lien. Those providers typically protect their bill by contract, with a written lien agreement signed by the patient and a letter of protection acknowledged by the patient's attorney.

What a solid lien package usually includes

- [ ] **A written lien agreement signed by the patient** before or at the first visit, naming your practice and authorizing payment from any recovery.
- [ ] **The attorney's written acknowledgment** of your lien (the letter of protection), with the attorney's name, firm, phone and the patient's claim details.
- [ ] **A clear statement of what happens if there is no recovery**, such as whether the patient remains responsible for the balance. Decide this with your own counsel and apply it consistently.
- [ ] **Your standard fee schedule** applied to the account, the same rates you charge any self-pay patient.
- [ ] **A HIPAA authorization** allowing you to release records and bills to the attorney.
- [ ] **A process for attorney changes.** If the patient switches lawyers, get a fresh acknowledgment from the new firm right away.

> TIP
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> Send the lien to the attorney and ask for a signed acknowledgment in writing. A lien the attorney never received is the hardest one to enforce.

Why billed charges and reasonable value matter

Two California decisions shape how your bill is treated when a case is valued:

Case	What it means for providers
Howell v. Hamilton Meats (2011) 52 Cal.4th 541	When a patient's care is paid through private insurance, the patient can recover as past medical damages no more than the amounts actually paid or still owed, not the full billed amount.
Pebley v. Santa Clara Organics (2018) 22 Cal.App.5th 1266	A patient who has insurance but chooses to treat outside the plan on a lien is treated as uninsured, so the full medical bills can be offered as evidence of the reasonable value of the care.

The practical takeaway: **your bill has to hold up as reasonable.** Consistent pricing, clean CPT coding and notes that support medical necessity are what let the attorney present your charges with confidence. Our companion *Documentation Checklist* covers what to capture at each visit.

Why reductions get requested at settlement

When a case resolves, the attorney may ask providers to reduce their balances. It helps to know why:

- **Insurance limits.** California's minimum auto liability coverage is $30,000 per person and $60,000 per accident (Veh. Code § 16056). Serious injuries can exceed the available coverage.
- **Shared fault.** California uses pure comparative fault (Li v. Yellow Cab Co. (1975) 13 Cal.3d 804). If the patient was partly at fault, the recovery shrinks by that percentage.
- **Several providers, one pool of money.** Hospital liens, health plan liens, med pay and other providers are all paid from the same settlement.

A reduction request should come with an explanation: the gross settlement, the fees and costs, the other liens and the proposed split. It is reasonable to ask for that breakdown.

How long payment takes, and why

You are paid when the case resolves, not when treatment ends. A typical path looks like this:

01 **Treatment.** The patient treats until they are released or reach maximum medical improvement. The claim is rarely valued before this point.

02 **Records and bills.** The attorney requests complete records and itemized bills from every provider. A missing record from one office holds up the whole demand.

03 **Demand and negotiation.** The attorney sends a demand to the insurer, which then evaluates it. For injury claims, many insurers take weeks to respond, sometimes longer.

04 **Settlement or lawsuit.** If the case settles, funds are usually received within several weeks after the release is signed. If it goes to litigation, resolution can take a year or more.

05 **Disbursement.** Settlement funds go into the attorney's client trust account. Acknowledged liens are paid from those funds as part of closing the case.

What slows payment down

- Records sent in pieces, without billing, or without a custodian of records declaration when one is requested
- Gaps in treatment with no explanation in the chart
- The patient changing attorneys without anyone updating the lien
- Balances that change after the demand has gone out

Deadlines that affect your patient's case

Deadline	Rule
Most injury lawsuits	2 years from the injury (Code Civ. Proc. § 335.1)
Claims against a city, county, state or transit agency	A written claim within 6 months of the incident (Gov. Code § 911.2)
Minors	The lawsuit deadline generally pauses until age 18, but the 6-month government claim deadline does not (Code Civ. Proc. § 352(b))

If a patient on a lien does not have a lawyer yet and one of these deadlines is approaching, your bill is at risk too.

What you can expect from B&D

When B&D represents a patient you are treating, here is how we handle your account:

- ☐ **Written acknowledgment of your lien** when we receive it.
- ☐ **One records request that asks for everything**: chart notes, imaging reports, itemized billing and, if needed, a custodian of records declaration.
- ☐ **Status updates when you ask**, shared with the client's permission.
- ☐ **A written breakdown with any reduction request**, shared with the client's consent, so you can see where the money went.
- ☐ **Payment of acknowledged liens from our client trust account** as part of closing the case.

> NO STRINGS ATTACHED
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> This guide is free, and so is our staff training. B&D does not pay providers for referrals, and nothing we offer your office depends on whether you refer anyone to us.

> QUESTIONS? TALK TO US
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Sources: Civ. Code §§ 3040, 3045.1, 3045.4; Code Civ. Proc. §§ 335.1, 352; Gov. Code § 911.2; Veh. Code § 16056; Li v. Yellow Cab Co. (1975) 13 Cal.3d 804; Howell v. Hamilton Meats & Provisions, Inc. (2011) 52 Cal.4th 541; Pebley v. Santa Clara Organics, LLC (2018) 22 Cal.App.5th 1266; California Department of Insurance auto insurance guide (med pay). Checked against primary sources September 2026.