

Court of Claims of Ohio

The Ohio Judicial Center
65 South Front Street, Third Floor
Columbus, OH 43215
614.387.9800 or 1.800.824.8263
www.cco.state.oh.us

MT. CARMEL HEALTH SYSTEM

Plaintiff

v.

TWIN VALLEY BEHAVIORAL HEALTHCARE

Defendant

Case No. 2013-00162

Magistrate Holly True Shaver

DECISION OF THE MAGISTRATE

{¶1} Plaintiff, Mt. Carmel Health System (Mt. Carmel), brought this action against defendant, Twin Valley Behavioral Healthcare (Twin Valley), alleging breach of contract.

The case proceeded to trial on the issues of liability and damages. The parties' July 28, 2014 stipulations were APPROVED at trial, with certain modifications.¹

{¶2} In 2002, the parties entered into a contract whereby plaintiff agreed to accept patients from defendant who were in need of medical care. (Joint Exhibit 1.) On December 19, 2011, H.M., an inmate at Allen Oakwood Correctional Facility in Lima, Ohio, was released from prison and admitted to Twin Valley as a civil commitment, pursuant to R.C. 5122.10. On December 22, 2011, the Franklin County Probate Court issued an Order of Detention, finding probable cause that H.M. was a person subject to judicial hospitalization under R.C. 5122.11. On December 23, 2011, pursuant to R.C. 5122.15, the Franklin County Probate Court ordered H.M. committed to Twin Valley for a period not to exceed 90 days.

¹The following modifications to the stipulations were entered into the record during the trial:

Stipulation 2: modified to reflect Joint Exhibit 2, Bates Stamp 001239-001471;

Stipulation 8: modified to reflect Joint Exhibit 2, Bates Stamp 00124-001245;

Stipulations 10-11: modified to reflect Joint Exhibit 2, Bates Stamp 1335;

Stipulation 18: modified to reflect Joint Exhibit 4, Bates Stamp 1-4.

{¶3} Twin Valley initiated an application for guardianship on H.M.'s behalf, due to his inability to make his own medical decisions. On January 6, 2012, Dr. Krishnankutty Nair prepared a Statement of Expert Evaluation as evidence to be submitted to the Franklin County Probate Court in the matter of the guardianship of H.M. On January 9, 2012, Twin Valley notified H.M. of its intent to pursue a guardianship for him.

{¶4} On January 14, 2012, H.M. developed conditions that required emergency medical treatment. At 9:50 a.m., Sitaben Parbhoo, M.D., a psychiatrist at Twin Valley, ordered that H.M. be sent to Mt. Carmel under a Temporary Medical Transfer. On January 14, 2012, at 2:10 p.m., Nancy Berlin, R.N., wrote a proposed order for Dr. Parbhoo to sign to discharge H.M. from Twin Valley to Mt. Carmel for treatment for pneumonia. Dr. Parbhoo did not sign the order; however, on January 18, 2012, another attending physician at Twin Valley signed it.

{¶5} H.M. was admitted as an inpatient at Mt. Carmel on January 14, 2012. At the time of H.M.'s transfer, he had no legal guardian and no third-party insurance. On January 20, 2012, a guardianship case was opened in Franklin County Probate Court. Mt. Carmel provided medical care to H.M. from January 14, 2012 to March 1, 2012. During that time, Mt. Carmel attempted to complete the guardianship process that Twin Valley had initiated. A hearing to appoint a guardian was scheduled for March 5, 2012. However, H.M. died on March 1, 2012, while he was an inpatient at Mt. Carmel.

{¶6} On March 13, 2012, Twin Valley received a billing form, known as a UB-04, from Mt. Carmel for services rendered to H.M. from January 14 through March 1, 2012, in the amount of \$141,368.66. Twin Valley has not paid Mt. Carmel any portion of the bill.

{¶7} To recover upon a breach of contract claim, plaintiff must prove "the existence of a contract, performance by the plaintiff, breach by the defendant, and damage or loss to the plaintiff." *Nilavar v. Osborn*, 137 Ohio App.3d 469, 483, (2000). In order to prove a breach by defendant, plaintiff must show that defendant "did not

perform one or more of the terms of a contract.” *Little Eagle Props. v. Ryan*, 10th Dist. Franklin No. 03AP-923, 2004-Ohio-3830, ¶ 15.

{¶8} The relevant portions of the contract are as follows:

{¶9} “POLICY * * * Mount Carmel agrees to accept as a *temporary medical transfer or medical admission* T.V.B.H. patients as promptly as possible provided all the conditions of eligibility for medical transfer or medical admission are met, and Mount Carmel has the capacity to treat.” (Emphasis added.)

{¶10} “IMPLEMENTATION

{¶11} “A. In cases where a T.V.B.H. physician concludes that a patients [sic] medical condition requires treatment interventions by Mount Carmel the physician will contact Mount Carmel Emergency Department or the physician on services who will notify the appropriate department or treatment center. Upon receipt of all necessary information from T.V.B.H. Mount Carmel will provide the level of treatment required via *temporary transfer or admission*. (Emphasis added.)

{¶12} “B. T.V.B.H. shall be responsible for arranging and paying for transport of patients to Mount Carmel.

{¶13} “C. T.V.B.H. will advise patients and guardians of the requirement for treatment in Mount Carmel as well as the projected benefits/risk involved with both the treatment or lack of. Valid guardianship papers will be the responsibility of T.V.B.H. Informed consent for treatment by Mount Carmel shall be the responsibility of Mount Carmel.

{¶14} “I. T.V.B.H. shall provide Mount Carmel with all third party payor information. Mount Carmel shall bill for services rendered, based on third party payor(s).

{¶15} “J. T.V.B.H. shall arrange reimbursement to Mount Carmel for patients that receive ambulatory care or are temporarily transferred to Mount Carmel within 30

days of receipt of a bill. Mount Carmel agrees to accept third party payments as payment in full. Reimbursements by T.V.B.H. shall not exceed UCR rates of eighty percent (80%) of billed charges.” (Joint Exhibit 1.)

{¶16} The dispute in this case turns on whether Twin Valley’s act of discharging H.M. from its facility, after H.M. had been sent to Mt. Carmel as a temporary medical transfer, relieved Twin Valley of any contractual obligation to reimburse Mt. Carmel for H.M.’s medical bills. Mt. Carmel asserts that inasmuch as H.M. was sent to its facility as a temporary medical transfer, he remained as such during the entirety of his stay at Mt. Carmel. Furthermore, since H.M.’s medical expenses were not covered by a third-party payor, Mt. Carmel contends that his medical bills should be paid by Twin Valley per the terms of the contract. Twin Valley, in contrast, asserts that its obligation for payment ended the day that H.M. was admitted as an inpatient to Mt. Carmel and discharged from Twin Valley; that the temporary medical transfer terminated at the time of discharge; and that H.M. was no longer Twin Valley’s responsibility despite the fact that H.M. had no guardian, no third-party payor source, and was never ready to be discharged to the general public.

{¶17} The purpose of contract construction is to give effect to the intention of the parties, and such intent “is presumed to reside in the language they chose to employ in the agreement.” *Stoll v. United Magazine Co.*, 10th Dist. Franklin No. 03AP-752, 2004-Ohio-2523, ¶ 7. In construing a written agreement, common words appearing in the written instrument are to be given their plain and ordinary meaning “unless manifest absurdity results, or unless some other meaning is clearly evidenced from the four corners of the documents.” *Id.* at ¶ 8, citing *Alexander v. Buckeye Pipe Line Co.*, 53 Ohio St.2d 241 (1978), paragraph two of the syllabus. Additionally, a court is not required to go beyond the plain language of an agreement to determine the parties’ rights and obligations if a contract is clear and unambiguous. *Custom Design Technologies, Inc. v. Galt Alloys, Inc.*, 5th Dist. Stark No. 2001CA00153,

2002-Ohio-100. “If a contract is clear and unambiguous, then its interpretation is a matter of law and there is no issue of fact to be determined.” *Inland Refuse Transfer Co. v. Browning-Ferris Industries of Ohio, Inc.*, 15 Ohio St.3d 321, 322 (1984). “However, if a term cannot be determined from the four corners of a contract, factual determination of intent or reasonableness may be necessary to supply the missing term.” *Id.*

{¶18} The term “temporary medical transfer” is not defined in the contract. At trial, the parties submitted a document captioned: “Twin Valley Behavioral Healthcare Procedural Guidelines for Billing for the Temporary Medical Transferring (TMT) of Patients to General Hospitals” which defines Temporary Medical Transfer as: “A status that places a patient temporarily in a general hospital for medical evaluation and/or treatment in an emergency room, *or admitted as an inpatient to a general hospital.* The status used in Patient Care System (PCS) when the patient is not discharged to a medical/surgical facility is convalescent leave.” (Emphasis added.) (Joint Exhibit 3.)

{¶19} It is undisputed that H.M. was initially transferred to plaintiff on a temporary basis, and that he was admitted as an inpatient at Mt. Carmel. Defendant presented testimony from multiple witnesses at trial who distinguished H.M.’s case as being “unique” because H.M. was discharged from Twin Valley the same day that he was transferred to Mt. Carmel. Defendant also presented the testimony of David Forman, the Forensic Admissions Director for Twin Valley, who testified at length regarding the differences between forensic and civil patients, who are committed to Twin Valley through a criminal or civil court, respectively. The parties submitted the deposition of Doris Toland, defendant’s social work director. Toland testified that in H.M.’s medical records, page 001, it says “convalescent leave/date of discharge 1-14-2012.” (Joint Exhibit 7, p. 50.)

{¶20} Upon review of the contract, the court finds that the plain language of the contract contemplates both temporary transfer and admission. Therefore, the fact that H.M. was admitted to Mt. Carmel as an inpatient for treatment does not relieve Twin Valley of responsibility for his medical bills. The contract contemplates accepting patients from defendant's facility as either a temporary medical transfer or a medical admission. Under either scenario, plaintiff is obligated to accept defendant's patients and provide medical care to them.

{¶21} Turning to defendant's argument that Twin Valley's decision to discharge H.M. from its facility terminated any payment obligation under a temporary medical transfer, the court finds that the contract language does not support defendant's argument. If the parties intended that a discharge from Twin Valley terminated a temporary medical transfer, that language should have been written in the contract. It was not. Moreover, if the status of the patient, such as forensic vs. civil commitment had any bearing on the rights of the parties, that language also should have been included in the contract. It was not. The court notes that H.M. was involuntarily committed to defendant's facility based upon his mental illness. The parties stipulated that at no time during H.M.'s stay at Twin Valley was he ready to be discharged to the general public. The evidence before the court demonstrates that H.M.'s mental state did not improve during his stay at Mt. Carmel. The court concludes that H.M. would still need placement for his mental health issues if he had recovered from his medical condition during his stay at Mt. Carmel. Although Toland testified in her deposition that H.M. may have been eligible for placement at a nursing home, she also testified that no nursing home would agree to admit a patient such as H.M. without a Medicaid billing number, and that H.M. would need a guardian in order to apply for Medicaid coverage. Toland further testified that if a patient required continued psychiatric care once their medical issues had been resolved, then the patient would go through the normal process of being readmitted to Twin Valley.

{¶22} It is undisputed that H.M. did not have either a guardian or a third-party payor source at the time of his death. Moreover, no evidence was submitted that any physician had determined that H.M. was ready to be discharged to the general public at any time prior to his death. Gena Niehaus, defendant's Health Information Management Director, also testified via deposition that although she recommended that H.M.'s bills from Mt. Carmel not be reimbursed because he had been discharged, if H.M. had been returned to defendant after a temporary medical transfer, defendant would have been responsible for his medical bills. (Joint Exhibit 6, p. 19.)

{¶23} The court concludes that H.M. was sent to plaintiff as a temporary medical transfer and was then admitted for treatment as contemplated in the contract. Plaintiff rendered medical treatment to H.M. from January 14, 2012 through March 1, 2012. Plaintiff timely submitted a billing statement to defendant for H.M.'s care on March 13, 2012, but defendant has not paid any portion of the bill. Pursuant to Section J of the contract, defendant was obligated to reimburse plaintiff 80 percent of the billed charges.

The court finds that defendant's failure to reimburse plaintiff was a breach of the contract. The court further finds that the bill became due and payable on April 12, 2012. Accordingly, judgment is recommended in favor of plaintiff in the amount of \$113,091.79, which represents 80 percent of billed charges for H.M.'s care. The court further recommends that plaintiff be awarded prejudgment interest calculated from April 12, 2012 to the date that judgment is entered, pursuant R.C. 1343.03(A) and 2743.18(A). See *Fouty v. Ohio Dept. of Youth Servs.*, 167 Ohio App.3d 508, 2006-Ohio-2957 (10th Dist.).

{¶24} *A party may file written objections to the magistrate's decision within 14 days of the filing of the decision, whether or not the court has adopted the decision during that 14-day period as permitted by Civ.R. 53(D)(4)(e)(i). If any party timely files objections, any other party may also file objections not later than ten days after the first objections are filed. A party shall not assign as error on appeal the court's adoption of*

any factual finding or legal conclusion, whether or not specifically designated as a finding of fact or conclusion of law under Civ.R. 53(D)(3)(a)(ii), unless the party timely and specifically objects to that factual finding or legal conclusion within 14 days of the filing of the decision, as required by Civ.R. 53(D)(3)(b).

HOLLY TRUE SHAVER
Magistrate

cc:

Benjamin G. Chojnacki
Michael T. Williams
1801 East 9th Street, Suite 1110
Cleveland, Ohio 44114-3103

Eric A. Walker
Assistant Attorney General
150 East Gay Street, 18th Floor
Columbus, Ohio 43215-3130

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