

SUPREME COURT OF LOUISIANA

Rebel Distributors Corp. v. LUBA Workers' Comp.

144 So. 3d 825 (La. 2013) · No. 13-0749 · Decided October 15, 2013

SUMMARY

The Louisiana Supreme Court considered whether a pharmaceutical distributor could pursue payment for physician-dispensed medications under the state workers' compensation laws. It held that La. R.S. 23:1205(A) does not prohibit a health care provider from assigning payment-collection rights to a third party, and that an agent may qualify as a health care provider under La. R.S. 23:1021(6). The court reversed the appellate court's dismissal and remanded for further consideration.

CASE DETAILS

COURT	Supreme Court of Louisiana
WRITING FOR THE COURT	Weimer, Justice; Weimer; Johnson; Victory; Guidry; Reasons
JURISDICTION	Louisiana
DECIDED	October 15, 2013
DOCKET	13-0749
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Rebel sought review of a Louisiana Third Circuit decision reversing an Office of Workers' Compensation judgment awarding Rebel payment for physician-dispensed pharmaceutical invoices. The Louisiana Supreme Court granted certiorari, addressed the statutory assignment, novation, and health-care-provider issues, reversed, and remanded for consideration of unresolved issues.
STANDARD OF REVIEW	The existence of a legal right to bring an action is a question of law reviewed de novo. Factual determinations made in deciding a no-right-of-action exception are reviewed for manifest error.
PRECEDENTIAL VALUE	Published Louisiana Supreme Court opinion; precedential.
PARTIES	Rebel Distributors Corp., Inc. d/b/a Physician Partner and Pharmacy Partner v. LUBA Workers' Comp., LUBA Casualty Insurance Company, Acadiana Plastics Manufacturing, Inc.

TOPICS

statutory interpretation

administrative law

health law

assignment and delegation

contracts

PRACTICE AREAS

workers' compensation

health law

contracts

administrative law

QUESTIONS PRESENTED

1. Whether La. R.S. 23:1205(A) prohibits a health care provider from assigning to a third party the right to bill for and collect payment for medical services or medications provided under the workers' compensation laws.
2. Whether the 2010 agreement expressly novated and retroactively replaced the 2007 agreement despite similarities between the agreements and the fact that a substantial part of the original performance remained owed.
3. Whether an agent of a health care provider may qualify as a health care provider under La. R.S. 23:1021(6) even if the agent does not itself provide medical or professional services.

HOLDINGS

1. La. R.S. 23:1205(A) protects an injured employee's workers' compensation claims and benefits and does not prohibit a health care provider from assigning its claims for payment to a third party.
2. The 2010 agreement expressly novated and retroactively replaced the 2007 agreement.
3. An agent acting in the course and scope of employment for a health care provider falls within the statutory definition of health care provider, even if the agent does not itself provide medical or professional services.

KEY QUOTATIONS

“By definition, a health care provider includes “any officer, employee, or agent thereby acting in the course and scope of his employment” for a health care provider.” (at 841)

“As an agent of Dr. Heard/the Clinic “thereby acting in the course and scope of his employment,” whether itself a health care provider or not, Rebel would fall within the statutory definition of health care provider under La. R.S. 23:1021(6).” (at 841)

FACTUAL BACKGROUND

Rebel, a licensed wholesale pharmaceutical distributor and repackager, supplied medications for an in-office pharmacy operated by Dr. Michel E. Heard and the St. Thomas Clinic. Under agreements executed in 2007, 2009, and 2010, the Clinic assigned or authorized Rebel to collect payment for medications dispensed to workers' compensation patients, including Mary Doucet. LUBA refused to pay Rebel for medications dispensed after September 26, 2008, prompting Rebel to file a disputed claim for compensation.

PROCEDURAL HISTORY

Rebel filed a disputed workers' compensation claim against LUBA and Acadiana for unpaid invoices for medications dispensed by Dr. Heard. The Office of Workers' Compensation initially sustained a no-right-of-action exception but allowed amendment; after amendment and trial, it awarded the unpaid invoices subject to the statutory \$750 limit and denied penalties and attorney fees. The court of appeal reversed sua sponte, concluding that Rebel lacked a right of action because it was not a health care provider or qualifying agent and that the contractual assignment violated La. R.S. 23:1205(A). The Louisiana Supreme Court reversed that decision and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The court of appeal was directed to reconsider the remaining issues in the consolidated cases, including the challenge to the validity of the underlying agency agreement, in accordance with the Supreme Court's opinion.

CASES CITED

- Howard v. Administrators of Tulane Educational Fund, 986 So. 2d 47 (La. 2008)
- Hood v. Cotter, 5 So. 3d 819 (La. 2008)
- Teachers' Retirement System of Louisiana v. Louisiana State Employees' Retirement System, 456 So. 2d 594 (La. 1984)
- Holly & Smith Architects, Inc. v. St. Helena Congregate Facility, Inc., 943 So. 2d 1037 (La. 2006)
- Gibbs v. Delatte, 927 So. 2d 1131 (La. App. 1 Cir. 2005)
- Barnett v. Saizon, 994 So. 2d 668 (La. App. 1 Cir. 2008)
- Conerly Corp. v. Regions Bank, 668 F. Supp. 2d 816 (E.D. La. 2009)
- Livingston Parish Council on Aging v. Graves, 105 So. 3d 683 (La. 2012)
- Champagne v. American Alternative Insurance Corp., 112 So. 3d 179 (La. 2013)
- LeBleu v. Deshotel, 628 So. 2d 1227 (La. App. 3 Cir. 1993)
- Schoemann v. Aetna Life & Casualty Co., 556 So. 2d 77 (La. App. 4 Cir. 1989)
- Globe Indem. Co. v. Toye Bros. Auto & Taxicab Co., 129 So. 234 (La. App. Orleans 1930)
- Fagon v. Lafayette Bureau of Credit Control, Inc., 657 So. 2d 234 (La. App. 3 Cir. 1995)
- Dupre v. Consolidated Underwriters, 99 So. 2d 522 (La. App. 1 Cir. 1957)
- Isaacs v. Van Hoose, 171 La. 676, 131 So. 845 (1930)
- Pike Burden Printing, Inc. v. Pike Burden, Inc., 396 So. 2d 361 (La. App. 1 Cir. 1981)
- Ritchie v. Louisiana Department of Public Safety and Corrections, 595 So. 2d 1158 (La. App. 1 Cir. 1992)