

SUPREME COURT OF ILLINOIS

Yarbrough v. Northwestern Memorial Hospital

2017 IL 121367 · No. 121367 · Decided August 15, 2018

SUMMARY

The Illinois Supreme Court reviewed a certified question concerning whether a hospital may be held vicariously liable under apparent agency principles for the acts of employees of an unrelated, independent clinic. The court held that the circumstances did not implicate the policy considerations underlying *Gilbert v. Sycamore Municipal Hospital* and reversed the appellate court’s judgment, remanding for further proceedings.

CASE DETAILS

COURT	Supreme Court of Illinois
WRITING FOR THE COURT	Justice Theis; Chief Justice Karmeier; Justice Thomas; Justice Garman; Justice Burke; Justice Freeman; Justice Kilbride
JURISDICTION	Illinois
DECIDED	August 15, 2018
DOCKET	121367
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Interlocutory appeal under Illinois Supreme Court Rule 308 from a certified question arising from the circuit court's denial of Northwestern Memorial Hospital's motion for partial summary judgment.
STANDARD OF REVIEW	De novo review applies to the legal question presented in a Rule 308 interlocutory appeal. Summary judgment is proper only when the pleadings, depositions, admissions, and affidavits show no genuine issue of material fact and the moving party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Binding published Illinois Supreme Court precedent
PARTIES	Northwestern Memorial Hospital v. Christina Yarbrough, David Goodpaster, on behalf of Hayley Joe Goodpaster

TOPICS

medical malpractice

vicarious liability

appellate procedure

interlocutory appeal

standard of review

PRACTICE AREAS

medical malpractice

health law

torts

appellate procedure

QUESTIONS PRESENTED

1. Whether a hospital may be held vicariously liable under Illinois apparent-agency doctrine for acts of employees of an unrelated, independently owned and operated clinic that is not a party to the litigation.
2. Whether the apparent-agency doctrine established in *Gilbert v. Sycamore Municipal Hospital* applies when the allegedly negligent treatment occurred outside the hospital or a hospital-owned facility.
3. Whether, under Illinois Supreme Court Rule 308, the reviewing court may consider the application of the legal rule to the circuit court's interlocutory order.

HOLDINGS

1. A hospital cannot be held vicariously liable under the apparent-authority doctrine for care provided by employees of an unrelated, independently owned and operated clinic like Erie merely because of the hospital's limited financial, technical, or strategic relationship with the clinic.
2. The apparent-agency doctrine is not categorically limited to treatment rendered inside a hospital or hospital-owned facility, but its elements must be satisfied and the doctrine cannot be extended on the facts presented to employees of an unrelated independent clinic.
3. In a Rule 308 appeal, the reviewing court may consider the propriety of the circuit court's interlocutory order after resolving the certified legal question, including whether the governing legal rule was properly applied.

KEY QUOTATIONS

“Apparent authority in an agent is the authority which the principal knowingly permits the agent to assume, or the authority which the principal holds the agent out as possessing.” (§ 27)

*“We refuse to read *Gilbert* and its progeny so broadly as to impose vicarious liability under the doctrine of apparent authority on a hospital for the care given by employees of an unrelated, independently owned and operated clinic like Erie.”* (§ 47)

“For the foregoing reasons, we answer the certified question in the negative.” (§ 49)

FACTUAL BACKGROUND

Christina Yarbrough sought prenatal care at Erie Family Health Center, an independent federally qualified health center that was neither owned nor operated by Northwestern Memorial Hospital. Erie provided her pregnancy testing and prenatal care, later referring her to Northwestern Memorial Hospital for an ultrasound. Yarbrough alleged that Erie personnel negligently failed to identify or address complications, causing her daughter to be born prematurely, and asserted that NMH was vicariously liable because she believed Erie and NMH were the

same entity. NMH provided Erie with some financial, technological, and strategic support, but Erie did not use Northwestern branding and its employees were federally deemed employees.

PROCEDURAL HISTORY

Plaintiffs sued Northwestern Memorial Hospital and Northwestern Medical Faculty Foundation, alleging medical negligence and vicarious liability based on treatment provided by employees of Erie Family Health Center. The circuit court denied NMH's motion for partial summary judgment and certified whether a hospital could be vicariously liable under apparent agency principles for acts of employees of an unrelated independent clinic. The appellate court answered the question affirmatively. The Illinois Supreme Court reversed the appellate court's judgment and remanded to the circuit court.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remanded to the Circuit Court of Cook County for further proceedings consistent with the opinion.

CASES CITED

- Gilbert v. Sycamore Municipal Hospital, 156 Ill. 2d 511 (1993)
- Petrovich v. Share Health Plan of Illinois, Inc., 188 Ill. 2d 17 (1999)
- York v. Rush-Presbyterian-St. Luke's Medical Center, 222 Ill. 2d 147 (2006)
- Malanowski v. Jabamoni, 293 Ill. App. 3d 720 (1997)
- In re Marriage of Mathis, 2012 IL 113496
- Rozsavolgyi v. City of Aurora, 2017 IL 121048
- Heidelberg v. Jewel Cos., 57 Ill. 2d 87 (1974)
- De Bouse v. Bayer AG, 235 Ill. 2d 544 (2009)
- Reynolds v. Decatur Memorial Hospital, 277 Ill. App. 3d 80 (1996)
- Churkey v. Rustia, 329 Ill. App. 3d 239 (2002)
- James v. Ingalls Memorial Hospital, 299 Ill. App. 3d 627 (1998)
- Arteaga v. United States, 711 F.3d 828 (7th Cir. 2013)
- Union Stock Yard & Transit Co. v. Mallory, Son & Zimmerman Co., 157 Ill. 554 (1895)
- Kashishian v. Port, 481 N.W.2d 277 (Wis. 1992)
- Arthur v. St. Peters Hospital, 405 A.2d 443 (N.J. Super. Ct. Law Div. 1979)
- Brown v. Coastal Emergency Services, Inc., 354 S.E.2d 632 (Ga. Ct. App. 1987)