

SUPREME JUDICIAL COURT OF MAINE

Daniel R. Lalonde v. Central Maine Medical Center

2017 ME 22 (2017) · No. And-16-68 · Decided January 31, 2017

SUMMARY

The Maine Supreme Judicial Court affirmed the denial of Central Maine Medical Center’s motion to dismiss Daniel R. Lalonde’s claim for indemnification of expenses incurred defending a medical licensing-board proceeding. The court held that immunity under 24 M.R.S. § 2511 for reports to a professional board did not bar Lalonde’s contractual indemnification claim under CMMC’s bylaws. The court concluded that the complaint adequately pleaded a claim for relief and that CMMC was not immune from the indemnification action.

CASE DETAILS

COURT	Supreme Judicial Court of Maine
WRITING FOR THE COURT	Alexander, J.; Saufley, C.J.; Mead, J.; Gorman, J.; Jabar, J.; Hjelm, J.; Humphrey, J.
JURISDICTION	Maine
DECIDED	January 31, 2017
DOCKET	And-16-68
DISPOSITION	affirmed
PROCEDURAL POSTURE	Interlocutory appeal from an order denying Central Maine Medical Center's motion to dismiss a complaint seeking contractual indemnification for attorney fees and costs incurred in defending an administrative licensing proceeding.
STANDARD OF REVIEW	The court reviewed de novo the denial of a Rule 12(b)(6) motion to dismiss, treating the facts alleged in the complaint as admitted and viewing them in the light most favorable to the plaintiff.
PRECEDENTIAL VALUE	Published Maine Supreme Judicial Court opinion; precedential.
PARTIES	Central Maine Medical Center v. Daniel R. Lalonde

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QUESTIONS PRESENTED

1. Whether the interlocutory appeal was permissible under the final judgment rule because CMMC asserted immunity under 24 M.R.S. § 2511.
2. Whether 24 M.R.S. § 2511 immunized CMMC from Lalonde's contractual claim for indemnification of attorney fees and costs incurred in defending the Board proceeding.
3. Whether Lalonde's complaint stated a claim for contractual indemnification under CMMC's bylaws.

HOLDINGS

1. An interlocutory appeal is permitted from an order denying a motion to dismiss when the asserted basis for dismissal is the defendant's complete or qualified immunity from suit.
2. Section 2511 does not immunize CMMC from Lalonde's contractual action seeking indemnification for defense costs because the action seeks enforcement of a contractual indemnification obligation, not damages or other relief based on CMMC's report to the Board.
3. Lalonde's complaint stated a claim for contractual indemnification because it alleged a legally binding contract created by CMMC's bylaws, a material breach of the indemnification provision, and damages in the form of defense expenses.

KEY QUOTATIONS

“The CMMC bylaws create an indemnification responsibility regardless of the cause of the investigation and, in effect, create a contractual exception to section 2511 immunity when CMMC may initiate or assist an action before the Board that involves one of its employees.” (¶17)

“Thus, CMMC is not immune from Lalonde’s action for indemnification for the costs of his defense.” (¶19)

FACTUAL BACKGROUND

CMMC employed physician Daniel R. Lalonde under a physician employment agreement and terminated him without cause in 2012. CMMC reported the termination to the Maine Board of Licensure in Medicine because of concerns about Lalonde's clinical competence and behavior, prompting an administrative investigation that the Board later dismissed. CMMC's bylaws required indemnification of employees for reasonable expenses incurred in civil, criminal, or administrative proceedings arising from their employment, subject to a good-faith determination, but CMMC refused Lalonde's requests for reimbursement.

PROCEDURAL HISTORY

Lalonde sued CMMC in the Androscoggin County Superior Court under the Maine Nonprofit Corporation Act and CMMC's bylaws for indemnification of expenses incurred in defending a Board of Licensure in Medicine proceeding. CMMC moved to dismiss, arguing that 24 M.R.S. § 2511 granted it immunity from civil liability for

its report to the Board. The Superior Court denied the motion, and CMMC brought an interlocutory appeal. The Supreme Judicial Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Andrews v. Sheepscot Island Co., 2016 ME 68, ¶ 2, 138 A.3d 1197
- Clifford v. MaineGeneral Medical Center, 2014 ME 60, ¶ 75, 91 A.3d 567
- Estate of Fortier v. City of Lewiston, 2010 ME 50, ¶ 1, 997 A.2d 84
- Knowlton v. Attorney General, 2009 ME 79, ¶ 10, 976 A.2d 973
- Wilcox v. City of Portland, 2009 ME 53, ¶ 11, 970 A.2d 295
- Hawkes v. Commercial Union Insurance Co., 2001 ME 8, ¶ 6, 764 A.2d 258
- Munjoy Sporting & Athletic Club v. Dow, 2000 ME 141, ¶ 17, 755 A.2d 531
- Andrews v. Sheepscot Island Co., 2016 ME 68, ¶ 8, 138 A.3d 1197
- Moody v. State Liquor & Lottery Commission, 2004 ME 20, ¶ 7, 843 A.2d 43
- Tobin v. Barter, 2014 ME 51, ¶¶ 9-10, 89 A.3d 1088
- Whalen v. Down East Community Hospital, 2009 ME 99, ¶ 9, 980 A.2d 1252