

SUPREME COURT OF LOUISIANA

Linda Bozeman, Individually and on Behalf of Tommy Bozeman v.
State of Louisiana, and the Department of Transportation and
Development

879 So. 2d 692 (La. 2004) · No. 2003-C-1016 · Decided July 2, 2004

SUMMARY

The Supreme Court of Louisiana considered whether a Medicaid recipient could recover medical expenses contractually written off by healthcare providers under the collateral source rule. The court affirmed the lower courts' conclusion that the plaintiff could not recover the write-off amounts because Medicaid providers were required to accept Medicaid payments as payment in full. The opinion also discusses the collateral source rule's evidentiary and damages functions and its relationship to tort deterrence.

CASE DETAILS

COURT	Supreme Court of Louisiana
WRITING FOR THE COURT	Johnson, Justice; Victory, Justice; Knoll, Justice
JURISDICTION	Louisiana
DECIDED	July 2, 2004
DOCKET	2003-C-1016
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff sought review of a Louisiana Second Circuit decision affirming the denial of recovery for Medicaid medical-expense write-offs in a personal-injury action.
STANDARD OF REVIEW	The court reviewed the legal question concerning application of the collateral source rule to Medicaid write-offs de novo.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Linda Bozeman, individually and on behalf of Tommy Bozeman v. State of Louisiana, Louisiana Department of Transportation and Development

TOPICS

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether a Medicaid recipient may recover, under Louisiana's collateral source rule, medical expenses contractually written off by healthcare providers pursuant to the Medicaid program.
2. Whether a plaintiff who provides no consideration for Medicaid benefits may recover the difference between the providers' billed charges and the amounts actually paid by Medicaid.

HOLDINGS

1. A Medicaid recipient may not recover as tort damages medical expenses contractually written off by healthcare providers pursuant to Medicaid requirements when the recipient provided no consideration for the Medicaid benefits. The recipient's recovery is limited to the amounts actually paid by Medicaid.
2. The benefit-of-the-bargain exception to the limitation on recovery applies when the plaintiff provided consideration for the collateral-source benefits, but it does not apply to Medicaid benefits received without consideration.

KEY QUOTATIONS

"In conclusion, Medicaid recipients are unable to collect the Medicaid "write-off" amounts as damages because no consideration is provided for the benefit." (879 So. 2d at 706)

"However, in those instances, where plaintiff's patrimony has been diminished in some way in order to obtain the collateral source benefits, then plaintiff is entitled to the benefit of the bargain, and may recover the full value of his medical services, including the "write-off" amount." (879 So. 2d at 706)

FACTUAL BACKGROUND

Tommy Bozeman suffered catastrophic brain and orthopedic injuries when the tires of his vehicle left a Louisiana highway and he encountered a curve. He required hospitalization and long-term institutional care until his death in 1996. Medicaid paid part of his medical expenses, while healthcare providers contractually wrote off the difference between their charges and Medicaid's payments. The plaintiff sought to recover the written-off amounts from the State as part of tort damages.

PROCEDURAL HISTORY

Tommy Bozeman was injured in a highway accident and, through Linda Bozeman, sued the State and the Louisiana Department of Transportation and Development. After a bench trial, the district court found the State 75% at fault and awarded medical expenses including amounts billed but written off under Medicaid. The court of appeal initially remanded for reconsideration under *Terrell v. Nanda*. On remand, the trial court reduced the medical-expense award, excluding Medicaid write-offs, and the court of appeal affirmed with a corrected award. The Louisiana Supreme Court granted certiorari and affirmed.

DISPOSITION

affirmed

CASES CITED

- Louisiana Department of Transportation and Development v. Kansas City Southern Railway Co., 846 So. 2d 734 (La. 2003)
- Terrell v. Nanda, 759 So. 2d 1026 (La. App. 2 Cir. 2000)
- Dyet v. McKinley, 81 P.3d 1236 (Idaho 2003)
- Griffin v. Louisiana Sheriff's Auto Risk Association, 802 So. 2d 691 (La. App. 1 Cir. 2001)
- Acuar v. Letourneau, 531 S.E.2d 316 (Va. 2000)
- Rose v. Via Christi, 78 P.3d 798 (Kan. 2003)
- Helfend v. Southern California Rapid Transit District, 465 P.2d 61 (Cal. 1970)
- Gordon v. Forsyth County Hospital Authority, Inc., 409 F. Supp. 708 (M.D.N.C. 1975), aff'd in part and vacated in part, 544 F.2d 748 (4th Cir. 1976)
- Kansas City Southern Railway Co. v. Louisiana Department of Transportation and Development, 846 So. 2d 734 (La. 2003)
- Naquin v. Titan Indemnity Co., 779 So. 2d 704 (La. 2001)