

UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

Jaime Guzman; Derrick Lambert v. Melvin Jones; Celadon Trucking Services, Inc.

804 F.3d 707 (5th Cir. 2015) · No. No. 15-40007 · Decided October 22, 2015

SUMMARY

The Fifth Circuit affirmed, as remitted, a damages judgment arising from a motor vehicle accident. It held that an uninsured plaintiff could present evidence of billed medical expenses when he was legally obligated to pay those amounts, even though he might have been eligible for insurance or public benefits that could have reduced the charges. The court also upheld the denial of spoliation sanctions and an adverse-inference instruction because the defendants did not show bad faith in the plaintiff’s timing of back surgery.

CASE DETAILS

COURT	United States Court of Appeals for the Fifth Circuit
WRITING FOR THE COURT	Jennifer Walker Elrod; Higginbotham; Elrod; Southwick
JURISDICTION	Federal
DECIDED	October 22, 2015
DOCKET	No. 15-40007
DISPOSITION	affirmed
PROCEDURAL POSTURE	Defendants appealed the district court's denial of their motion for a new trial after a jury awarded damages in a motor-vehicle-accident case.
STANDARD OF REVIEW	Evidentiary rulings and rulings on spoliation sanctions are reviewed for abuse of discretion; when admissibility turns first on a legal determination, the underlying legal analysis is reviewed de novo.
PRECEDENTIAL VALUE	Published Fifth Circuit opinion
PARTIES	Melvin Jones, Celadon Trucking Services, Inc. v. Jaime Guzman, Derrick Lambert

TOPICS

damagesevidenceappellate procedurestandard of reviewstatutory interpretation

PRACTICE AREAS

torts

personal injury

evidence

damages

appellate procedure

QUESTIONS PRESENTED

1. Whether Texas law permitted Guzman, an uninsured plaintiff who might have been eligible for public or private benefits but received none, to introduce and recover the medical expenses actually billed to him.
2. Whether the district court abused its discretion by denying sanctions or an adverse jury instruction based on alleged spoliation arising from Guzman's back surgery before the independent medical examination.
3. Whether the damages judgment required remittitur because the jury's award for past medical expenses slightly exceeded the medical-expense evidence.

HOLDINGS

1. An uninsured plaintiff who was actually billed for medical care and remains legally obligated to pay the billed amounts may introduce and recover those billed medical expenses when the plaintiff received no reduced insurance or public-benefit rate. Potential eligibility for benefits that were never received does not limit the recoverable amount under Texas Civil Practice and Remedies Code § 41.0105.
2. The district court did not abuse its discretion by denying spoliation sanctions or an adverse-inference instruction because defendants did not show that Guzman acted in bad faith or with an intent to destroy or alter evidence.
3. The judgment was properly remitted from \$1,314,000 to \$1,313,047.20 because the jury's past-medical-expense award slightly exceeded the medical-expense evidence, and Guzman agreed that remittitur was appropriate.

KEY QUOTATIONS

“here, Guzman has actually incurred his billed obligations because he received the medical care, was billed for it, has provided no payments to cover it, and could be subject to suit for non-payment in the full amount billed.” (slip op. at 6)

“Reduced prices that he may have received had he participated in health benefits or insurance programs for which he may have been eligible are irrelevant according to Texas law.” (slip op. at 7)

“We permit an adverse inference against the spoliator or sanctions against the spoliator only upon a showing of “bad faith” or “bad conduct.”” (slip op. at 8)

FACTUAL BACKGROUND

Jaime Guzman was injured in a motor-vehicle accident involving a truck driven by Melvin Jones and owned by Celadon. The parties agreed that Jones was at fault and that Celadon was vicariously liable, leaving only damages for trial. Guzman was uninsured and had not received Medicaid or workers' compensation benefits, but he was billed for medical care, including back surgery. Before the surgery, defendants sought an independent medical examination; Guzman disclosed his planned surgery during a deposition, but defendants did not ask him to delay the surgery or provide its date.

PROCEDURAL HISTORY

The parties agreed that Jones was at fault and that Celadon was vicariously liable, so trial proceeded solely on damages. The jury awarded Guzman \$1,314,000, including \$104,000 for past medical expenses, and awarded Lambert \$20,500. The district court denied defendants' motion to exclude Guzman's medical bills and later denied sanctions and an adverse-inference instruction based on alleged spoliation after Guzman's back surgery. The Fifth Circuit affirmed, subject to remittitur of the judgment to \$1,313,047.20.

DISPOSITION

affirmed

CASES CITED

- Arthur J. Gallagher & Co. v. Babcock, 703 F.3d 284, 293 (5th Cir. 2012)
- Global Petrotech, Inc. v. Engelhard Corp., 58 F.3d 198, 201 (5th Cir. 1995)
- Haygood v. De Escabedo, 356 S.W.3d 390 (Tex. 2012)
- Kreiser v. Hobbs, 166 F.3d 736, 739 (5th Cir. 1999)
- Erie Railroad Co. v. Tompkins, 304 U.S. 64 (1938)
- Howe v. Scottsdale Insurance Co., 204 F.3d 624, 627 (5th Cir. 2000)
- Labiche v. Legal Security Life Insurance Co., 31 F.3d 350, 352 (5th Cir. 1994)
- Commissioner v. Estate of Bosch, 387 U.S. 456, 465 (1967)
- Big Bird Tree Service v. Gallegos, 365 S.W.3d 173, 177 (Tex. App.—Dallas 2012, pet. denied)
- Metropolitan Transit Authority v. McChristian, 449 S.W.3d 846, 854 (Tex. App.—Houston [14th Dist.] 2014, no pet.)
- Sierra Club, Lone Star Chapter v. Cedar Point Oil Co., 73 F.3d 546, 569 (5th Cir. 1996)
- Rimkus Consulting Group, Inc. v. Cammarata, 688 F. Supp. 2d 598, 612 (S.D. Tex. 2010)
- Condrey v. SunTrust Bank of Georgia, 431 F.3d 191, 203 (5th Cir. 2005)
- Mathis v. John Morden Buick, Inc., 136 F.3d 1153, 1155 (7th Cir. 1998)
- Brunnemann v. Terra International, Inc., 975 F.2d 175, 177 (5th Cir. 1992)
- McDonald v. Bennett, 674 F.2d 1080, 1092 (5th Cir. 1982)