

IN THE SUPREME COURT OF THE STATE OF NEVADA

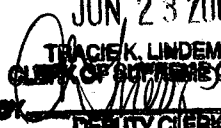
PENNY BIELAR,
Appellant,

vs.

WASHOE HEALTH SYSTEMS, INC., A
NEVADA CORPORATION; AND
WASHOE MEDICAL CENTER, INC., A
NEVADA CORPORATION,
Respondents.

No. 50859

FILED

JUN 23 2009
THOMAS K. LINDEMAN
CLERK OF SUPREME COURT
BY  DEPUTY CLERK

ORDER OF REVERSAL AND REMAND

This is an appeal from a district court summary judgment in a contract action. Second Judicial District Court, Washoe County; Patrick Flanagan, Judge.

This case arises out of respondent Washoe Health Systems, Inc.'s and Washoe Medical Center, Inc.'s (the Hospital) treatment of appellant Penny Bielar. Bielar was seriously injured in an automobile accident. Bielar eventually settled with the tortfeasor's insurer, but not until after her final medical treatment at the Hospital. Subsequently, the Hospital demanded that Bielar pay the full costs of her treatments, but Bielar claimed she was entitled to a statutory 30 percent discount on her bill. The Hospital sued the tortfeasor's insurer, which Bielar had agreed to indemnify, and Bielar paid the full hospital bill. She then filed this lawsuit against the Hospital seeking her 30 percent discount.

After Bielar filed a motion for partial summary judgment, the Hospital filed a cross-motion for summary judgment, arguing that Bielar did not have standing because she was not entitled to the statutory discount. The district court's written order granted the Hospital's motion on the basis of standing.

We conclude that the district court erred in granting the Hospital's summary judgment motion because the district court's analysis incorrectly addressed whether Bielar had standing. Also, there appear to be undeveloped issues regarding the reasonableness of the lien amount, whether Bielar's signed settlement with the tortfeasor's insurer includes the lien amount, whether Bielar's assignment to the Hospital affects the statutory discount, and whether the statutory discount even applies to Bielar.

Discussion

Standing is a question of law that this court reviews de novo. See Marcuse v. Del Webb Communities, 123 Nev. 278, 283-84, 163 P.3d 462, 466-67 (2007) (reviewing de novo "whether an unnamed class member has standing to appeal from the final judgment in a class action"). Since the district court's written order granted the Hospital summary judgment on the basis that Bielar lacked standing, this court reviews the district court's standing decision de novo.

The district court erred in granting the Hospital's motion for summary judgment based on standing

On appeal, Bielar argues that she has standing to sue under NRS 439B.260 because she has alleged sufficient facts to support her colorable claim that she is entitled to the discount. The Hospital argues that Bielar does not have standing to sue for a breach of NRS 439B.260 or other common law claims because she is not entitled to the discount and is not in the zone of interest protected by the statute. We conclude that Bielar's argument has merit. Here, Bielar's substantive claims arise from Nevada's statutory and common law, and therefore this court looks to Nevada law to determine the issue of standing.

To analyze the issue of standing, a district court must follow a two-part analysis. First, the court must determine whether there is a logical nexus between the party and the claim asserted. 59 Am. Jur. 2d Parties § 34. Although a district court needs to be aware of the asserted claim, the focus is on the party seeking adjudication of that claim. Szilagyi v. Testa, 99 Nev. 834, 838, 673 P.2d 495, 498 (1983). If the claimant presents facts and allegations which reasonably address the basis for the claim—i.e., a statutory, equitable, or constitutional right—then there is a logical nexus between the party and the claim asserted. Second, in asserting its legal or equitable claim, a party must have an interest in the adjudication of the asserted claim. See Secretary of State v. Nevada State Legislature, 120 Nev. 456, 460-61, 93 P.3d 746, 749 (2004) (requiring a petitioner in a mandamus proceeding to have a beneficial interest in obtaining writ relief); Szilagyi, 99 Nev. at 838, 673 P.2d at 498 (requiring a party in a legal proceeding to have a real interest in the adjudication); 59 Am. Jur. 2d Parties § 34. A party has an interest in the adjudication of the asserted claim if the party will receive a direct benefit or direct detriment from the resolution of the claim. 59 Am. Jur. 2d Parties § 34. The requirement of a direct benefit or detriment distinguishes a present and substantial interest from a mere expectancy or contingent interest. Id. at § 37. In addition, this requirement assures that the party is asserting her own legal or equitable rights or interests, as opposed to a third-party's right or interest. Id. at § 38.

In this case, the district court's order concluded that Bielar did not have standing because, under NRS 108.610 and 108.650, the hospital lien attached to the tortfeasor's insurer and not Bielar. In reaching its conclusion, the district court suggested that the issue of standing focused

on whether the complaining party suffered actual harm. We disagree because the district court failed to look at the logical nexus between Bielar and her claims and it failed to address Bielar's interest in the adjudication of her claims.

First, we conclude that Bielar presented sufficient facts and allegations to reasonably establish a logical nexus. NRS 439B.260 grants a 30 percent reduction of billed charges to patients that satisfy the statutory requirements. A patient satisfies the statutory requirements if she is uninsured or has no contractual provision for paying the charge, she is not eligible for state or federal assistance regarding the hospital charges, and she makes reasonable arrangements to pay the bill within 30 days after her discharge. NRS 439B.260(1). Here, it is undisputed that Bielar was injured in an automobile accident and treated by the Hospital. It is also undisputed that Bielar had no medical insurance at the time of her treatments. Therefore, Bielar presented a colorable claim.

Second, Bielar has an interest in the adjudication of the NRS 439B.260 claim. Although the language of NRS 439B.260(1) is unambiguous and its plain meaning is readily ascertainable, the district court focused on the hospital lien statute and concluded that the settlement proceeds were the property of the insurer. Therefore, the district court held that Bielar suffered no actual harm when the Hospital demanded the entire sum (i.e., without the 30 percent discount provided for in NRS 439B.260). As discussed above, we disagree with the district court's conclusion because it rests upon incorrect applications of Nevada case law and focuses on the hospital lien statutes, NRS 108.610 and 108.650.

The district court should have considered Bielar's standing under NRS 439B.260. Here, the adjudication of the NRS 439B.260 claim directly impacts Bielar. If the claim is successful, then Bielar will receive a 30 percent discount in her total liability to the hospital, approximately \$40,000. If unsuccessful, Bielar's payment of the total amount is final. Either way, the benefit or detriment directly affects Bielar, and therefore she has an interest in adjudicating her claims. See Hantges v. City of Henderson, 121 Nev. 319, 322-23, 113 P.3d 848, 850 (2005) (holding that statutes with a protective purpose should be liberally construed in order to confer standing on those who would reap the intended benefit).

As a result, Bielar satisfies the two-part standing analysis. Therefore, the district court erred in granting the Hospital's motion for summary judgment based on lack of standing.

Other undeveloped issues remain

We further conclude that there appear to be undeveloped issues regarding the reasonableness of the lien amount, whether the intent of Bielar's signed settlement with the tortfeasor's insurer was to pay the entire lien amount, and whether Bielar's assignment to the Hospital affects her ability to request the statutory discount.

"This court reviews a district court's grant of summary judgment de novo, without deference to the findings of the lower court." Wood v. Safeway, Inc., 121 Nev. 724, 729, 121 P.3d 1026, 1029 (2005). Summary judgment is appropriate when the pleadings and evidence reveal no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Id. "[A]ny reasonable inferences drawn from [the evidence], must be viewed in a light most favorable to the nonmoving party." Id.

After the accident, the Hospital treated Bielar on three separate occasions, and that treatment cost totaled \$126,912.45. At the time of the treatments, Bielar did not have medical insurance. The Hospital demanded that Bielar pay the full costs of her treatments, but Bielar claimed she was entitled to a statutory 30 percent discount on her bill because she was an uninsured and did not qualify for state or federal aid.

The district court's order focused on two questions. First, whether the provisions of NRS 439B.260(1) regarding contractual provisions for payment includes the tortfeasor's insurance settlement. Second, whether the settlement proceeds included the hospital lien amount and, if so, whether Bielar suffered any harm from having to pay the entire lien amount. The district court concluded that allowing the Hospital to lien Bielar settlement proceeds, because the proceeds are a contractual provision, would further the legislative intent behind encouraging health care providers to treat the uninsured. The district court further concluded that the hospital lien attached to the tortfeasor, as opposed to Bielar, and therefore portion of the settlement proceeds that covered the hospital lien belonged to the tortfeasor's insurer and not Bielar. As a result, Bielar did not suffer any monetary harm and, therefore, she has no standing.

However, the court did not address the reasonableness of the hospital lien amount. A party disputing the amount of a hospital bill incurred as a result of that party's treatment certainly has a right to challenge the reasonableness of the lien amount. Further, an inference regarding the reasonableness of the lien amount must be viewed in the light most favorable to Bielar because the Hospital is the moving party. In

addition, the district court did not rule upon the issue regarding whether the tortfeasor's insurer and Bielar intended the gross settlement amount to pay the entire non-discounted hospital lien. Finally, the district court's order does not address whether Bielar's assignment of any potential tort recovery affects the statutory discount. Accordingly, we

ORDER the judgment of the district court REVERSED and REMAND this matter to the district court for proceedings consistent with this order.

1 Hardesty, C.J.
Hardesty

Parraguirre, J.
Parraguirre

Douglas, J.
Douglas

Saitta, J.
Saitta

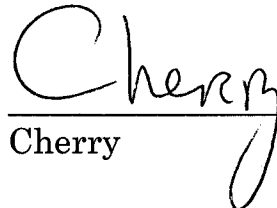
Gibbons, J.
Gibbons

Pickering, J.
Pickering

cc: Hon. Patrick Flanagan, District Judge
Patrick O. King, Settlement Judge
Durney & Brennan/Reno
Lewis & Roca, LLP/Reno
Washoe District Court Clerk

CHERRY, J., concurring:

I concur with the majority that the judgment of the district court should be reversed and the matter remanded to the district court for further proceedings. I do not adopt the majority's view that there appears to be undeveloped issues regarding the reasonableness of the lien amount, whether the intent of Bielar's signed settlement with the tortfeasor's insurer was to pay the entire lien amount, and whether Bielar's assignment to the Hospital affects her ability to request the statutory discount. Rather, I would conclude that genuine issues of material fact remain regarding the reasonableness of the lien amount, whether the intent of Bielar's signed settlement with the tortfeasor's insurer was to pay the entire lien amount, and whether Bielar's assignment to the Hospital affects her ability to request the statutory discount. Wood v. Safeway, Inc., 121 Nev. 724, 729, 121 P. 3d 1026, 1029 (2005).

_____, J.
Cherry