

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR HUTCHINSON AREA HEALTH CARE

In the Matter of the Revenue Recapture
Appeal of Lucy Sadergaski

FINDINGS OF FACT,
CONCLUSIONS OF LAW
AND ORDER

The above-entitled matter came on for hearing before Administrative Law Judge George A. Beck on April 11, 2003, at 10:00 a.m. at the Hutchinson Community Hospital in Hutchinson, Minnesota. Lisa Witt, Billing Collections Manager, Hutchinson Area Health Care, 1095 Highway 15 South, Hutchinson, MN 55350, appeared for the Hutchinson Community Hospital. Lucy Sadergaski, 210 Prior Street, Stewart, MN 66385, appeared representing herself with her sister, Carol Nelson. The record closed on April 11, 2003 at the conclusion of the hearing.

NOTICE

This Order is a final decision under Minn. Stat. § 270A.09, subd. 3. This Order may be appealed to the Minnesota Court of Appeals as set forth in Minn. Stat. §§ 14.63 to 14.68. An appeal must be filed within 30 days of receipt of this Order.

STATEMENT OF ISSUE

The issue in this case is whether or not Ms. Sadergaski owes a debt of \$211.70 to the Hutchinson Community Hospital and, if so, whether that debt can be recovered through the Revenue Recapture Act process.

Based upon all of the proceedings, the Administrative Law Judge makes the following:

FINDINGS OF FACT

1. Lucy Sadergaski and her husband were brought to the emergency room of the Hutchinson Community Hospital on Saturday, March 16, 2003, by their daughter, Carol Nelson and others.^[1]

2. Ms. Sadergaski was coughing, and had a fever, chills and chest pain. She was shaking. Ms. Nelson advised the nurse that she thought her mom had pneumonia.^[2]

3. Ms. Sadergaski was examined by Dr. John Mowlem. Ms. Sadergaski was provided with Tylenol, Advil and a Benedril tablet. Ms. Sadergaski was sent for a chest

x-ray. When the x-ray was returned, Dr. Mowlem looked at it, commented that Ms. Sadergaski must not be a smoker and said "aren't those the best lungs you ever saw?" He told her that there was nothing wrong with her lungs.^[3]

4. Dr. Mowlem told Ms. Sadergaski that all she had was a viral tickle and told Ms. Nelson that her mother did not need to be admitted to the hospital.

5. Dr. Mowlem also looked at Mr. Sadergaski and ordered a shot of penicillin for him, for an ear infection, and prescribed Vicodin, a pain reliever for him. Dr. Mowlem told Ms. Sadergaski that she could also use the Vicodin.^[4] Ms. Sadergaski's discharge form shows a diagnosis of influenza and a recommendation for Gatorade or Tylenol/Advil.^[5]

6. Ms. Sadergaski returned home at about 4:00 p.m. Saturday and slept through the night to Sunday evening at about 7:00 p.m. She continued to cough and became more ill.

7. Hutchinson Community Hospital has a policy of having all x-rays reviewed by a radiologist within 24 hours of an examination. Late Monday afternoon the radiologist called and told Ms. Sadergaski that his reading of the x-ray indicated that she had a touch of pneumonia.^[6] He stated that he was going to call in a prescription.

8. Early Tuesday morning Ms. Sadergaski's daughter took her to her family physician. He listened to her chest and lungs and told her that she had a severe case of pneumonia. An x-ray was then taken which confirmed the diagnosis.

9. Ms. Sadergaski was then admitted to the Ridgeview Medical Center hospital in Waconia where she remained for three days.^[7] She was provided with antibiotics. She convalesced at home for two weeks after discharge.

10. Ms. Sadergaski was billed a total of \$965.15 for the services she received on March 16, 2002. Blue Cross/Blue Shield of Minnesota paid all except \$211.70 of the bill.^[8]

11. Blue Cross/Blue Shield assessed a penalty of \$50.00 against Ms. Sadergaski for an emergency room visit for a matter which was not serious. Ms. Sadergaski appealed that determination by a letter dated December 2, 2002 and the \$50.00 penalty was removed.^[9]

12. Ms. Sadergaski did not pay the bill to Hutchinson Community Hospital and the hospital then filed a revenue recapture claim against her refund for the tax year 2002.^[10] The hospital was provided the sum of \$158.00 from Ms. Sadergaski's tax refund which has been applied to her account. Ms. Sadergaski was advised of the revenue recapture and timely advised the hospital that she wished to appeal this action.

13. In a letter dated February 18, 2003, she recounted the events of a year earlier and suggested that her bill be reduced by half because she did not receive appropriate care on March 16, 2002.^[11]

14. The hospital's emergency services medical director, Dr. Steven Mulder, wrote Ms. Sadergaski a letter dated March 11, 2003. He apologized if Dr. Mowlem's statements were perceived to be less than courteous. He acknowledged that the radiologist's report stated that the x-ray was consistent with pneumonia. Dr. Mulder stated that he had personally reviewed the x-ray and "the findings on the film were very subtle." Dr. Mulder advised Ms. Sadergaski that he did not believe an adjustment in the charges was warranted since her care conformed to accepted medical practice standards.^[12]

15. Ms. Sadergaski filed a complaint concerning Dr. Mowlem with the Minnesota Board of Medical Practice on January 8, 2003. She had earlier obtained forms for a complaint on April 17, 2002. The complaint is still pending with the medical board.^[13]

16. Ms. Sadergaski's income exceeds the amounts set out in Minn. Stat. § 270A.03, subd. 5.

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

CONCLUSIONS OF LAW

1. The Administrative Law Judge has jurisdiction in this matter pursuant to Minn. Stat. § § 14.50 and 278.09.

2. Hutchinson Area Health Care gave proper notice of the hearing in this matter and has fulfilled all relevant substantive and procedural requirements of law and rule.

3. That Hutchinson Area Health Care is a municipal hospital entitled to submit revenue recapture claims.

4. A "debt" means "a legal obligation of a natural person to pay a fixed and certain amount of money, which equals or exceeds \$25.00 and which is due and payable to a claimant agency."^[14]

5. That the Hutchinson Area Health Care has the burden of proof to prove by a preponderance of the evidence that a debt submitted to the Department of Revenue is owed by the appellant.

6. That the Hutchinson Area Health Care has proved that Ms. Sadergaski owed it the sum of \$211.70 prior to Revenue Recapture.

7. That the appellant's income level does not provide her with an exclusion from the definition of "debt."

8. That Hutchinson Area Health Care's use of the Revenue Recapture Act to collect the debt in question is proper.

Based upon the foregoing Conclusions of Law, the Administrative Law Judge makes the following:

ORDER

IT IS HEREBY ORDERED: That the revenue recapture appeal of Lucy Sadergaski is DENIED.

Dated this 16th day of April 2003.

/s/ George A. Beck
GEORGE A. BECK
Administrative Law Judge

Reported: Taped, one tape,
No Transcript Prepared.

MEMORANDUM

Hutchinson Area Health Care, which is owned by the City of Hutchinson, operates the Hutchinson Community Hospital and is entitled to file revenue recapture claims for debts owed to it. It filed a claim against Lucy Sadergaski for \$211.70 for services it contends were provided to her on March 16, 2002. When Ms. Sadergaski was advised of the filing of the claim, she requested a hearing because she believes that the services provided to her at the emergency room of the hospital were inadequate and that an adjustment of the charges is therefore appropriate. The hospital has the burden of proof to show that Ms. Sadergaski is legally obligated to pay the amount in question to the hospital.

Mrs. Sadergaski and her daughter were upset by the flippant nature of some of the remarks by the attending physician in the emergency room. She points out that the patient bill of rights requires courteous treatment. The hospital did apologize. At any rate, this forum is not the appropriate place to resolve an issue concerning the patient bill of rights.

This appellant also argues that she does not owe the bill in question because she did not receive appropriate care and is therefore entitled to an adjustment of her bill. She does not contend that any particular portion of the bill is in error. There is no doubt that Ms. Sadergaski was provided the services for which she was billed. But she does not believe she received adequate medical care.

Based upon this record it must be concluded that the hospital has proved that the debt was owed. Ms. Sadergaski believes that the attending physician missed a diagnosis of pneumonia. The hospital states that the x-ray indication of pneumonia was subtle and that Ms. Sadergaski's condition worsened over the weekend. The question of the quality of care is appropriately before the Board of Medical Practice. That body is

well suited to determine that question. However, the appellant is obligated to pay the remainder of the bill and the hospital can recover the debt from her tax refund through the Revenue Recapture Act.

G.A.B.

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- [\[1\]](#) Ex. 1, 17.
 - [\[2\]](#) Ex. 17.
 - [\[3\]](#) Ex. 1, 4.
 - [\[4\]](#) Ex. 1, 17.
 - [\[5\]](#) Ex. 5.
 - [\[6\]](#) Ex. 1.
 - [\[7\]](#) Ex. 10, Ex. 11, Ex. 17.
 - [\[8\]](#) Ex. 18.
 - [\[9\]](#) Ex. 6-9.
 - [\[10\]](#) Ex. 16.
 - [\[11\]](#) Ex. 4.
 - [\[12\]](#) Ex. 3.
 - [\[13\]](#) Ex. 14, 15.
 - [\[14\]](#) Minn. Stat. § 270A.03, subd. 5.