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Although it is posted on the internet, this opinion is binding only on the
parties in the case and its use in other cases is limited. R. 1:36-3.

SUPERIOR COURT OF NEW JERSEY
APPELLATE DIVISION
DOCKET NO. A-0580-16T3

HACKENSACK UNIVERSITY MEDICAL
CENTER,

Plaintiff-Appellant,

v.

PETER MURRAY,

Defendant-Respondent.

Submitted November 8, 2017 – Decided January 18, 2018

Before Judges Reisner and Mayer.

On appeal from Superior Court of New Jersey,
Law Division, Special Civil Part, Bergen
County, Docket No. DC-007967-16.

Celentano, Stadtmauer & Walentowicz, LLP,
attorneys for appellant (Michael Belostock, on
the brief).

Respondent has not filed a brief.

PER CURIAM

Plaintiff Hackensack University Medical Center (HUMC) appeals
from a September 1, 2016 order of the Special Civil Part dismissing
its complaint after a bench trial. We affirm.

HUMC sued defendant Peter Murray for \$9,264.90 representing unpaid medical bills. Defendant did not deny that he was hospitalized at HUMC for several days in March 2015. In fact, defendant consulted with his health insurer, Amerihealth, to confirm that his treatment and stay at HUMC would be covered. Amerihealth's third party administrator, Magellan Healthcare, Inc. (Magellan), approved defendant's four days of care at HUMC. The hospital issued a bill to Amerihealth in the amount of \$19,444.98 for services rendered to defendant. Amerihealth paid \$990 to HUMC and defendant made no payments to HUMC.

HUMC filed suit against defendant alleging he owed money for unpaid medical bills. In the complaint, HUMC demanded payment from defendant in the amount of \$9,264.90. The matter was tried without a jury.

At trial, HUMC offered into evidence its bills and electronic versions of the explanation of benefits (EOBs) forms sent from Amerihealth to HUMC. The EOBs introduced by HUMC contained multiple discrepancies as to the total amount billed and the amount paid pursuant to a contract between Amerihealth and HUMC. There was no trial testimony reconciling the billing and payment discrepancies. No one from HUMC testified that defendant agreed to pay sums above the amount paid to HUMC by defendant's insurance

provider. At trial, HUMC reduced its demand for payment of unpaid medical bills to \$3,931.45.

Defendant, who represented himself at trial, admitted that he was hospitalized at HUMC for four days. Defendant understood that the hospital bill was settled between Amerihealth and HUMC, and that he "wasn't responsible to pay anything beyond [his] responsibility to the contract with [his] insurance company."

Defendant moved several documents into evidence.¹ One document in particular, D-2, was an EOB from Magellan to defendant dated July 24, 2015. D-2 read, in part, as follows: "covered charges reflect network discounts, and provider is prohibited from balance billing any amount to the member." At trial, defendant argued that HUMC was improperly attempting to balance bill him.

At the close of the case, the trial judge found HUMC failed to prove a contractual obligation requiring defendant to pay the hospital above the amount paid by defendant's health insurance provider. In fact, HUMC never argued the existence of any such contract or agreement between it and defendant. The judge also found that the evidence submitted by HUMC as to the balance due from defendant was "all over the map in terms of adjustments."

¹ HUMC's appellate appendix failed to include at least two of defendant's exhibits admitted as evidence at trial.

The judge ruled that HUMC accepted Amerihealth's payment in conjunction with Magellan's statement that "anything over and above that would be covered charges, reflect network discounts, and provider is prohibited from balance billing any amount to the member." Consequently, the judge decided in favor of defendant and dismissed HUMC's complaint.

On appeal, HUMC argues the judge erred by: (1) failing to award the outstanding medical bills in accordance with the principles of quantum meruit/unjust enrichment; and (2) finding the hospital was "balance billing."

Our review of a judgment entered in a non-jury case is limited in scope. "[W]e do not disturb the factual findings and legal conclusions of the trial judge unless we are convinced that they are so manifestly unsupported by or inconsistent with the competent, relevant and reasonably credible evidence as to offend the interests of justice." Rova Farms Resort, Inc. v. Inv'rs Ins. Co., 65 N.J. 474, 484 (1974) (quoting Fagliarone v. Twp. of No. Bergen, 78 N.J. Super. 154, 155 (App. Div.), certif. denied, 40 N.J. 221 (1963)).

Before addressing the merits of HUMC's appeal, we note that litigants are required to provide all "parts of the record . . . as are essential to the proper consideration of the issues." R. 2:6-1(a)(1)(I). "Without the necessary documents, we have no

basis for determining" the issues on appeal, and may be left with "no alternative but to affirm." Soc'y Hill Condo. Ass'n, Inc. v. Soc'y Hill Assocs., 347 N.J. Super. 163, 177-78 (App. Div. 2002); see also Cipala v. Lincoln Tech. Inst., 179 N.J. 45, 54-55 (2004) (affirming appellate court's refusal to address argument raised by appellant, where appellant failed to include an order or transcript relating to the argument).

HUMC failed to include relevant trial exhibits in its appellate appendix, including the Magellan EOB marked as D-2 and an August 4, 2015 bill from HUMC to defendant marked as D-3. Because HUMC failed to include material "essential to the proper consideration of the issues," we could dismiss this appeal on procedural grounds. See R. 2:6-1(a)(1)(I).

Despite this procedural deficiency, we consider the merits of HUMC's appeal. HUMC argues that the judge failed to apply principles of quantum meruit/unjust enrichment in the absence of a contract requiring payment by defendant. HUMC relies on VRG Corporation v. GKN Realty Corporation, 135 N.J. 539, 554 (1994), in support of its unjust enrichment claim. The VRG Corporation case requires HUMC to show both that defendant received a benefit and that retention of that benefit without payment would be unjust. See ibid. HUMC argues it should prevail on an unjust enrichment basis because the hospital was "not . . . paid despite having had

a reasonable expectation of payment for services performed." Cty. of Essex v. First Union Nat. Bank, 373 N.J. Super. 543, 550 (App. Div. 2004).

We agree with the judge that HUMC failed to prove unjust enrichment. HUMC was paid by Amerihealth for the services it provided to defendant. Accordingly, there is sufficient credible evidence in the record to support the judge's rejection of HUMC's entitlement to restitution under an unjust enrichment theory.

To establish a quantum meruit claim, HUMC must prove the following: (1) performance of services, (2) defendant's acceptance of the services, (3) the expectation of compensation, and (4) the reasonable value of the services. See Starkey v. Estate of Nicolaysen, 172 N.J. 60, 68 (2002). According to HUMC, defendant admitted receiving care at the hospital, the hospital expected to be paid by defendant, and Amerihealth's EOBs represented the reasonable value of the services. However, HUMC did not present any testimony independently establishing reasonable value for purposes of a quantum meruit claim.

In support of its quantum meruit claim, HUMC argues that it expected payment from defendant because Amerihealth's EOBs designated portions of the bill as deductible amounts and copay amounts. However, expectation of payment to prove a quantum merit claim requires HUMC to have anticipated remuneration at the time


the services were provided. Amerihealth's EOBs, sent to HUMC well after the date of the provided services, cannot serve as a basis for such an expectation. See VRG Corp., supra, 135 N.J. at 554 ("[P]laintiff [must] show that it expected remuneration from the defendant at the time it performed or conferred a benefit on defendant"). HUMC provided no evidence that defendant signed an agreement to pay for the services upon admission. Nor does HUMC challenge the judge's finding that it failed to prove any such agreement.

While HUMC expected payment, there is no evidence that it expected payment from defendant. HUMC received and accepted payment from Amerihealth. Defendant testified that plaintiff "insisted on [charging] a different amount than [his] insurance company did" and that the hospital billed him in varying amounts without any explanation as to the amounts charged and the reasonableness of those amounts. HUMC presented no testimony reconciling the conflict between the trial exhibits demanding varying payment amounts from defendant and offered no explanation for its significantly reduced demand at trial. Based on the trial testimony and the failure to include defendant's trial exhibits in its appellant's appendix, HUMC cannot prevail on its quantum meruit claim.

Lastly, we agree with the judge that the testimony adduced at trial supports a finding of improper balance billing by HUMC. After receiving an EOB from Amerihealth indicating the amount of the permissible charges under HUMC's contract, HUMC then billed defendant approximately \$9,000 over that amount. Although HUMC subsequently sought a lesser amount on the day of trial, there was ample evidence to support the judge's finding that HUMC balance billed defendant.

Affirmed.

I hereby certify that the foregoing
is a true copy of the original on
file in my office.


CLERK OF THE APPELLATE DIVISION