

IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION-CIVIL

DOCKETED

APR 8 2014

C. HART
CIVIL ADMINISTRATION

ABC PEDIATRICS HHC, : October Term 2013
Plaintiff, :
v. : No. 2297
HEALTH PARTNERS PLANS f/k/a HEALTH :
PARTNERS PHILADELPHIA, : Commerce Program
Defendant. : Control Number 13120651
:

ORDER

AND NOW, this ^{7th} day of April, 2014, upon consideration of Defendant Health Partners Plans Inc.'s Motion for Judgment on the Pleadings and Plaintiff's response in opposition, it hereby is **ORDERED** that Defendant's Motion is **Granted**. Judgment is entered in favor of the Defendant and against Plaintiff and Plaintiff's complaint is dismissed.

BY THE COURT,


PATRICIA A. McINERNEY, J.

Abc Pediatrics Hhc Vs H-ORDOP



13100229700023

... WHEREAS, the parties disputed either formally or informally various matters including payment methodologies; and/or payment and/or processing of claims with dates of service through and including July 15, 2013 (collectively, the Disputed Claims”); and/or interpretation of contract provision in relation to the Disputed Claims; and

NOW THEREFORE, in consideration of the terms and conditions set forth herein, the undersigned parties...with intent to be bound legally hereby, agree as follows:...

3. Except as to the obligations created by this Agreement, each party and their Successors and Assigns, hereby release and forever discharge the other party and its respective Successors and Assigns, from any all claims, suits, causes of action, actions, rights, damages, expenses and all consequential damages of any kind, whether arising in law or equity, in contract or tort, as well as, any claim for attorney’s fees and exemplary and/or punitive damages which are based upon, arise out of, or are connected with, or were raised or could have been raised in connection with the Disputed Claims only. Provider explicitly reserves any other rights available to it pursuant to the provider agreement unrelated to the Disputed Claims.

On August 5, 2013, defendant paid to plaintiff the sum of \$75,000.00 by bank draft which was accepted and deposited by plaintiff.¹

In October 2013, plaintiff filed the instant action against defendant seeking \$2,000,000.00 in breach of contract damages alleging that defendant’s failure to pay timely the disputed claims in January 2013 breached the parties’ provider agreement, and that such breach caused plaintiff irreparable harm including in particular the destruction of plaintiff’s business. In defendant’s answer and new matter, defendant raised affirmative defenses including but not limited to the signed release bars plaintiff’s cause of action and accord and satisfaction. After the pleadings were closed, defendant filed the instant motion for judgment on the pleadings.

DISCUSSION

Entry of judgment on the pleadings is permitted under Pennsylvania Rule of Civil Procedure 1034, which provides that “after the pleadings are closed, but within such time as not

¹ Plaintiff alleges in the complaint that on or about March 25, 2013, it closed its doors and ceased doing business. ¶ 21.

to unreasonably delay trial, any party may move for judgment on the pleadings.”² A motion for judgment on the pleadings is similar to a demurrer.³ It may be entered when there are no disputed issues of fact and the moving party is entitled to judgment as a matter of law.⁴ In determining if there is a dispute as to facts, the court must confine its consideration to the pleadings and relevant documents.⁵

A review of the pleadings and the relevant document, the Settlement and Release Agreement, exhibits no disputed issues of fact exist. At issue is the interpretation of an unambiguous agreement between the parties, specifically the scope and language of the Settlement and Release Agreement. The courts of Pennsylvania have traditionally determined the effect of a release using the ordinary meaning of its language and interpreted the release as covering only such matters as can fairly be said to have been within the contemplation of the parties when the release was given.⁶ Moreover, releases are strictly construed so as not to bar the enforcement of a claim which had not accrued at the date of the execution of the release.⁷

Interpreting the settlement agreement and release in dispute is akin to interpreting contracts. When construing agreements involving clear and unambiguous terms, the court need

² Pa.R.C.P. 1034(a).

³ *Citicorp North America, Inc. v. Thornton*, 707 A.2d 536, 538 (Pa.Super.1998).

⁴ *Id*

⁵ *Meehan, supra*.

⁶ *Dublin by Dublin v. Shuster*, 410 Pa.Super. 1, 6–7, 598 A.2d 1296, 1298–99 (1991) (emphasis added), *appeal denied*, 533 Pa. 600, 617 A.2d 1274 (1992), quoting *Estate of Bodnar*, 472 Pa. 383, 386, 372 A.2d 746, 748 (1977).

⁷ *Restifo v. McDonald*, 426 Pa. 5, 230 A.2d 199 (1967); *Henry Shenk Co. v. City of Erie*, 352 Pa. 481, 43 A.2d 99 (1945); *Zurich General Acc. & Liab. Ins. Co. v. Klein*, 181 Pa.Super. 48, 121 A.2d 893 (1956).
Vaughn v. Didizian, 436 Pa. Super. 436, 439, 648 A.2d 38, 40 (1994)

only examine the writing itself to give effect to the parties' understanding.⁸ The court must construe the contract only as written and may not modify the plain meaning of the words under the guise of interpretation.⁹ When the terms of a written contract are clear, the court will not re-write it to give it a construction in conflict with the accepted and plain meaning of the language used.¹⁰

Here, the scope of the Settlement and Release Agreement is set forth within the Agreement. The Settlement Agreement covers “Disputed Claims”. “Disputed Claim” refers to the “parties disputes either formally or informally” involving “ various matters including payment methodologies’; and/or payment and/or processing of claims with dates of service through and including July 15, 2013 ...and/or interpretation of contract provision in relation to the Disputed Claims.”¹¹ The claim alleged in plaintiff’s complaint falls squarely within the scope of disputed claims as defined by the Settlement and Release Agreement. In the complaint, plaintiff alleges that as a result of certain billing issues that arose between the parties around January 2013, plaintiff did not receive its payment on a timely basis from defendant. ¹² Plaintiff alleges the settlement agreement only covered unpaid bills and did not cover billed revenue that was not being paid in a timely fashion. Plaintiff’s reliance on billed and unpaid claims during the January 2013 period fails to take the claim outside the scope of the Settlement and Release Agreement. “Disputed Claim” in the Settlement and Release Agreement includes payment methodologies and payment and processing of claims. As such, the court finds that the claim for

⁸ *McMahon v. McMahon*, [417 Pa.Super. 592] 612 A.2d 1360 (Pa.Super. 1992) (*en banc*).

⁹ *Trumpp v. Trumpp*, [351 Pa.Super. 205] 505 A.2d 601 (Pa.Super. 1985).

¹⁰ *Litwack v. Litwack*, [289 Pa.Super. 405] 433 A.2d 514 (Pa.Super. 1981).

¹¹ Exhibit “D” to Defendant’s Motion for Judgment on the Pleadings pg. 1.

¹² Complaint ¶ 15.

destruction of business or loss of profits is specifically included in “Disputed Claim” and consequently falls within the scope of the Settlement and Release Agreement.

Having found that the scope of the Settlement and Release Agreement includes the claim for destruction of business as set forth within the specific language of the agreement, the court must now determine whether the parties intended to release said claim. The parties agreed to release each other

“..from any all claims, suits, causes of action, actions, rights, damages, expenses and all consequential damages of any kind, whether arising in law or equity, in contract or tort, as well as, any claim for attorney’s fees and exemplary and/or punitive damages which are based upon, arise out of, or are connected with, or were raised or could have been raised in connection with the Disputed Claims....”

The claim for loss of destruction of business or loss of profits is a consequential damage arising from defendant’s failure to pay the disputed claims. As such the claim is barred. The claim for loss of business directly arises from and is connected with disputed claims, as defined within the Settlement and Release Agreement. Plaintiff by executing the Settlement and Release Agreement expressly understood and agreed that payment by defendant was a compromise and full accord and satisfaction of the “Disputed Claims” which includes the claim for loss and destruction of business.¹³ Since there is no ambiguity in the Settlement and Release Agreement, the release therein bars legal action and recovery including the claim for loss and destruction of business and plaintiff’s complaint is dismissed.

CONCLUSION

For the forgoing reason, defendant’s Motion for Judgment on the Pleadings is Granted.

¹³ Settlement and Release Agreement Exhibit “D” to defendant’s Motion for Judgment on the Pleadings ¶6.

Judgment is granted in favor of the defendant and plaintiff's complaint is dismissed.

BY THE COURT,



PATRICIA A. McINERNEY, J.