

Motion to Enforce – Upholding Medicare Payment Requirement

SERVICES

Personal Injury

RELATED ATTORNEYS

Michael P. Johnson

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Attorneys Ryan Landry and Michael Johnson prevailed on a motion to enforce a settlement in a personal injury case following a lengthy dispute over the terms of the settlement and repayment of plaintiff's Medicare lien. The key issue was whether defendant and his insurer could require plaintiff to provide proof that plaintiff had satisfied the Medicare lien prior to issuing the full settlement amount, where plaintiff had affirmatively represented in the release that he was unaware of any Medicare lien. After a protracted dispute between the parties, plaintiff's counsel attempted to rescind the signed release, sought to proceed with litigation, and indicated that he planned to sue defendant's insurer for any interest or costs imposed by Medicare. Attorneys Landry and Johnson filed a motion to enforce the settlement, which the Court granted. In so doing, the Rockingham County Superior Court (New Hampshire) found that the parties had come to an enforceable agreement, and that safeguarding defendant's insurer from liability in connection with the Medicare lien was an essential term of the release, but that the mechanism of payment, i.e. how the funds were to be distributed, was not an essential term.

The Court also found that the insurer's actions in issuing a portion of the settlement funds, and withholding the amount that reflected the Conditional Medicare lien, was reasonable. The Court further found that the defendant's insurer did not prevent plaintiff from negotiating the Medicare lien and was not the cause of the interest payments that were charged to the plaintiff by Medicare. The Court found that, given the terms of the release, defendant's insurer was not required to release any settlement funds until after receiving proof that the Medicare lien had been satisfied. This decision reflects New Hampshire courts' strong proclivity towards enforcing settlement agreements, and reinforces the insurer's obligation to satisfy Medicare liens.