

VIRGINIA:

In the Supreme Court of Virginia held at the Supreme Court Building in the City of Richmond on Thursday the 14th day of September, 2017.

PHC-Martinsville, Inc., d/b/a
Memorial Hospital of Martinsville and
Henry County,

Appellant,

against Record No. 161019
 Circuit Court No. CL14-483

Glenn Michael Dennis,

Appellee.

Upon an appeal from a judgment rendered by the Circuit Court of Henry County.

Upon consideration of the record, briefs, and argument of counsel, the Court is of opinion that there is error in the judgment of the circuit court.

PHC-Martinsville, Inc., d/b/a Memorial Hospital of Martinsville and Henry County (the “Hospital”) is seeking to recover from Glen M. Dennis the balance owed on a bill for services rendered to him by the Hospital from May 29, 2014 through May 31, 2014. After a bench trial, the circuit court ruled that the Hospital failed to prove “that the parties mutually had entered into a binding contract” without addressing Dennis’s affirmative defenses to the Hospital’s claim for breach of contract. The circuit court determined the reasonable value of the services rendered to Dennis by the Hospital under the Hospital’s alternative theory of quantum meruit and entered judgment in favor of the Hospital for the difference between the reasonable value of the Hospital’s services and the amount already paid on behalf of Dennis.

The evidence at trial established that on the morning of May 29, 2014, Dennis was experiencing chest pain and other symptoms similar to those he experienced when he suffered a heart attack several years earlier. Although he reported to work, several co-workers who were concerned about his condition convinced him to seek medical treatment. One co-worker then

drove him to an urgent care center.¹ Dennis was subsequently transported by rescue squad from the urgent care center to the Hospital's emergency department. Dennis was admitted to the Hospital where he underwent a cardiac catheterization procedure.

Approximately 45 minutes after his arrival to the Hospital's emergency department, Dennis signed a written document entitled "Consent for Services and Financial Responsibility" (the "Contract") which provided that "in consideration of the services to be rendered to [Dennis], [he was] obligated to promptly pay the hospital in accordance with the charges listed in the hospital's charge description master."² At trial, Dennis stipulated to his signature and testified that he was lying in the hospital bed, connected to various monitors, when the registrar presented the Contract to him.³ Dennis's wife, who was present when Dennis signed the Contract, testified that Dennis was too anxious and upset to read the Contract and that she did not offer to read it to him or sign it on his behalf. Dennis testified the registrar "asked [him] to sign some forms" though he couldn't "recall what she said about them." Dennis "signed what [he] was asked to sign and waited." At the time Dennis signed the Contract, "it was starting to hit home more about what was going on," he "was just concerned about getting treated and hopefully not going away as such," and wanted to "[g]et good treatment there and still hoping it wasn't a heart attack."

Where, as here, the facts concerning the formation of a contract are not in dispute, the determination of whether a valid contract exists is a question of law that we review de novo. *Phillips v. Mazyck*, 273 Va. 630, 635-36, 643 S.E.2d 172, 175 (2007). "An agreement or mutual assent is of course essential to a valid contract but the law imputes to a person an intention

¹ The co-workers observed that Dennis was "agitated," "distraught," "distracted," "not focusing," experiencing "chest pains," and generally incapable of handling his work affairs that morning.

² The charge description master is a master price list "of all of the different charges for the services" that the Hospital provides. The charge description master is maintained on the Hospital's computer system and, at the time of Dennis's treatment, contained more than 8,300 items. Dennis did not request a copy of the charge description master at the time he signed the Contract.

³ The registrar testified that she had no recollection of Dennis, specifically, but that she is not permitted to enter the patient's room and present the Contract until the emergency room physician has performed a medical screening evaluation.

corresponding to the reasonable meaning of his words and acts. If his words and acts, judged by a reasonable standard, manifest an intention to agree, it is immaterial what may be the real but unexpressed state of his mind.” *Lucy v. Zehmer*, 196 Va. 493, 503, 84 S.E.2d 516, 522 (1954). The existence of mutual assent, therefore, is determined “exclusively from those expressions of [the parties’] intentions which are communicated between them.” *Id.* (citation omitted); *see also Phillips*, 273 Va. at 636, 643 S.E.2d at 175 (stating that “[w]e ascertain whether a party assented to the terms of a contract from that party’s words or acts, not from his or her unexpressed state of mind”); *Wells v. Weston*, 229 Va. 72, 79, 326 S.E.2d 672, 676 (1985) (stating that “[a] meeting of the minds requires a *manifestation* of mutual assent, and a party’s mental reservation does not impair the contract he purports to enter”) (emphasis in original).

Contrary to the circuit court’s ruling, the evidence established that Dennis assented to the terms of the Contract. Whatever Dennis’s unexpressed intentions may have been, his signature on the Contract was clearly a manifestation of his intent to agree to its terms. The Hospital’s use of a standard-form contract and the disparity in bargaining power between the parties did not affect Dennis’s ability to assent to its terms.⁴ In concluding that “Dennis had an objectively reasonable belief that he was having a life-threatening major attack,” which left him in no position to bargain with the Hospital or reject the terms of the Contract, the circuit court relied on factors that have no bearing on whether Dennis manifested his assent to the Contract.⁵ Similarly,

⁴ “A standard-form contract prepared by one party, to be signed by another party in a weaker position” is referred to as an “adhesion contract.” Black’s Law Dictionary 390 (10th ed. 2014). While a court may take into consideration that a contract is one of adhesion in determining whether a contractual provision is unconscionable, such contracts are not unconscionable per se. *See, e.g., John E. Murray, Jr. & Timothy Murray*, 5 Corbin on Contracts § 24.27A (Supp. 2017) (stating that “[s]ince the bulk of contracts signed in the country are adhesion contracts, a rule automatically invalidating adhesion contracts would be completely unworkable”); *J. Murray & T. Murray, supra*, § 24.27H (stating that “adhesion contracts are neither inherently wrong nor automatically invalid”); *see also Saturn Distrib. Corp. v. Williams*, 905 F.2d 719, 725 (4th Cir. 1990) (noting that “[t]he use of a standard form contract between two parties of admittedly unequal bargaining power does not invalidate an otherwise valid contractual provision” and that “[t]o be invalid, the provision at issue must be unconscionable”). Because the circuit court found there was no contract, it did not address Dennis’s affirmative defense of unconscionability.

⁵ The circuit court appears to have injected principles of duress into its determination of mutual assent. Duress is an affirmative defense to enforcement of a contract, *Talley v. Robinson*, 63 Va. (22 Gratt.) 888, 895 (1872), and as a species of fraud, must be proved by clear and

the Hospital's refusal to provide Dennis with a copy of the charge description master *after* he received the bill for services rendered by the Hospital was not relevant to his expressions of assent *at the time of contracting*.

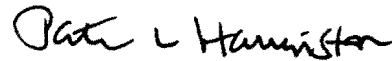
Because we conclude the circuit court erred in ruling that the Hospital failed to prove mutual assent to the Contract, we reverse the judgment of the circuit court and remand this case to the circuit court for findings on Dennis's affirmative defenses.⁶ Our holding, therefore, renders it unnecessary to address the Hospital's assignment of error to the circuit court's determination of the reasonable value of the Hospital's services to Dennis under the Hospital's alternative theory of quantum meruit.

Accordingly, we reverse the circuit court's judgment and remand this case to the circuit court for further proceedings consistent with this order.

This order shall be certified to the said circuit court.

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Clerk

convincing evidence, *Ford v. Engleman*, 118 Va. 89, 96, 86 S.E. 852, 855 (1915). Dennis neither pled nor argued that he entered into the Contract under duress.

⁶ No further evidence is needed since the parties presented evidence of all claims and defenses in this case. Although the Hospital assigns error to the circuit court's exclusion of certain evidence regarding Dennis's health care plan, we hold that the circuit court did not abuse its discretion in concluding that the proffered evidence was not relevant to the claims or defenses. See Va. R. Evid. 2:401 (Evidence is relevant if it has "any tendency to make the existence of any fact in issue more probable or less probable than it would be without the evidence.")