

IN THE COURT OF APPEALS OF IOWA

No. 3-587 / 12-2103
Filed August 7, 2013

PABLO LEDEZMA,
Plaintiff-Appellant,

vs.

**PROCTER & GAMBLE HAIR CARE,
L.L.C., CAMBRIDGE INTEGRATED
SERVICES GROUP, INC.,**
Defendants-Appellees.

Appeal from the Iowa District Court for Johnson County, Paul D. Miller,
Judge.

A plaintiff appeals the district court's summary judgment ruling dismissing
his bad faith claim against a workers' compensation carrier. **AFFIRMED.**

William J. Bribiesco and Anthony J. Bribiesco of William J. Bribiesco &
Associates, Bettendorf, for appellant.

Theresa C. Davis and Dana L. Oxley of Shuttleworth & Ingersoll, P.L.C.,
Cedar Rapids, for appellees.

Considered by Doyle, P.J., and Danilson and Mullins, JJ.

MULLINS, J.

Pablo Ledezma sued Cambridge Integrated Services Group, Inc., alleging bad faith denial and delay of payment of workers' compensation benefits. Cambridge filed a motion for summary judgment arguing that Ledezma's claims based on bad faith failure to pay benefits as required in an agreement for settlement approved by the workers' compensation commissioner were governed by contract law and not insurance bad faith law. The district court granted Cambridge's motion for summary judgment. Ledezma has appealed.

In 2008, Ledezma was injured at work. He received treatment and incurred medical bills. On July 23, 2010, Ledezma, and the employer and Cambridge entered into an Agreement for Settlement pursuant to Iowa Code section 85.35(2) (2009), which was approved by the Iowa Workers' Compensation Commissioner on September 3, 2010. The agreement stated that Ledezma had sustained a compensable injury, and he was entitled to temporary benefits, permanent partial disability benefits, and medical benefits. Attached to the agreement were documents that identified outstanding and unpaid medical bills.

In July 2011, Ledezma filed his First Amended Petition at Law¹ alleging a single claim of bad faith based on Cambridge's and the employer's² failure to pay his outstanding medical bills as required in the agreement for settlement. In August 2012, Cambridge filed its motion for summary judgment arguing Ledezma's claim was based upon a contract, no cause of action exists in Iowa

¹ The original petition was filed in May 2011.

² The employer was subsequently dismissed from the lawsuit.

for bad faith breach of contract, and since all the medical bills had by then been paid, there was no breach of contract upon which to maintain a suit.³

Ledezma filed a resistance that included the following statements: “The instant case involves a claim of bad faith in the initial denial and then delay in payment of certain medical bills, pursuant to an Agreement for Settlement”; followed by “In essence, Plaintiff claims that Defendants chose not to pay Plaintiff’s medical bills pursuant to an Agreement for Settlement approved by the Iowa Workers’ Compensation Commissioner” In his brief in support of his resistance, Ledezma made the following arguments: “In this case, Defendants violated their common law duty when it chose to disregard an Order of the Iowa Workers’ Compensation Commissioner by unreasonably delaying payment of medical benefits that Plaintiff was entitled to”; “Thus, the delay/denial to provide medical benefits pursuant to the Agreement for Settlement—which was ordered to be paid by the Commissioner—provides the basis for a bad faith claim”; and,

In this case, the Iowa Workers’ Compensation Commission has already ordered that Plaintiff is entitled to medical benefits. The Iowa Workers’ Compensation Agency, like many other administrative agencies is unable to enforce its order involving medical benefits and Plaintiff must rely on common law remedies and the enforcing power of the district courts.

The district court, in a well-written ruling, determined that the case of *White v. Northwestern Bell Telephone Co.*, 514 N.W.2d 70 (Iowa 1994), controlled, holding Ledezma’s claim alleging bad faith refusal to pay medical bills

³ In this appeal, Ledezma has not challenged the district court’s ruling dismissing any claim of breach of contract. Accordingly, we need not determine if a claim for consequential damages incurred by the delay in payment of the medical benefits pursuant to the agreement should have survived summary judgment.

pursuant to the agreement for settlement was a contract claim and not an insurance or workers' compensation bad faith claim. Further, because the medical bills had by then been paid pursuant to the agreement for settlement, summary judgment was granted, and the case was dismissed.

On appeal, Ledezma argues that the district court erred in relying on the *White* case. Ledezma also argues on appeal that his claim includes allegations that Cambridge acted in bad faith prior to executing the agreement for settlement and that the settlement did not dispose of that portion of his common law bad faith claim. As illustrated above, Ledezma focused his resistance to the motion for summary judgment on his claim of bad faith failure to pay the bills pursuant to the agreement for settlement. He nominally mentioned in his resistance that he was claiming bad faith based on the insurer's "initial denial," which could be interpreted to mean either a denial prior to the agreement or immediately after approval of the agreement. However, the district court did not rule on whether a bad faith claim pre-existed the settlement and survived the settlement agreement, and Ledezma failed to file a rule 1.904(2) motion seeking to obtain a ruling on that issue. See *LaMasters v. State*, 821 N.W.2d 856, 862 (Iowa 2012) ("When a district court fails to rule on an issue properly raised by a party, the party who raised the issue must file a motion requesting a ruling in order to preserve error for appeal.").

"It is a fundamental doctrine of appellate review that issues must ordinarily be both raised and decided by the district court before we will decide them on appeal." *Meier v. Senecaut*, 641 N.W.2d 532, 537 (Iowa 2002). Ledezma,

therefore, has not preserved for our review any issue concerning whether his alleged bad faith claim pre-existed the agreement for settlement and survived that agreement.

Accordingly, we only address whether the district was correct when it found that the *White* case was controlling. *White* is well-settled law on the issues presented and is clearly controlling in this case. The ruling by the district court identified and considered all the issues presented to it, and this court approves the reasons and conclusion in that ruling. A full opinion by this court would not augment or clarify existing case law. Therefore, we affirm pursuant to Iowa Court Rule 21.26(1)(a), (c), (d), and (e).

AFFIRMED.