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Dekalb Chiropractic Center, Inc. v. Bio-Testing Innovation, Inc.

678 N.E.2d 412 (Ind. App., 1997)

In this case, a lease was held unenforceable as contrary to public policy. The lessor leased two strength-testing units to the lessee, Chiropractic Center. The terms of the lease required the lessee to test all patients no later than the patient's second office visit and to retest each patient thirty days after the first testing. Lessee was then required to provide the lessor with the necessary billing information.

Lessor, in turn, would then bill the insurance company and, upon receiving the insurance proceeds, provide lessee with twenty-five percent of the amount received. The court held this arrangement in violation of two well-established public policy considerations: 1) protecting the integrity of the doctor/patient relationship and 2) containing health care costs. Medical equipment lessors beware: creative billing may be hazardous to your economic health.

Marks & Weinberg, PC is a law firm with significant experience in dealing with virtually every type of equipment and facility lease financing. The lawyers of the firm have participated in leasing financings for more than a billion dollars of equipment and are recognized throughout the industry. If you would like more cases or articles on leasing, or have any questions or comments about this Article or other leasing issues, please visit leaselawyer.com or contact Barry Marks at 205.251.8303 or Ken Weinberg at 205.251.8307.

