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NJ Appellate Court Affirms Dismissal of Tortious Interference Claim Against Hospital

Skelly v. Pascack Valley Hospital

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The Superior Court of New Jersey, Appellate Division, recently upheld the dismissal of a lawsuit filed by a doctor against a hospital, alleging that the hospital tortuously interfered with his employment contract with a private medical practice by taking too long to act on his application for credentials to treat patients at the hospital. The doctor's employment contract required him to obtain privileges at the hospital, but the private employer terminated the contract when the hospital tabled his application for credentials while the application was being vetted. The decision reaffirms the right and duty of hospitals to fully investigate applications for credentialing, and serves as an important warning to physician applicants to make sure that their applications are accurate and complete.

In the case of [Skelly v. Pascack Valley Hospital](#), Dr. Skelly applied for privileges as a condition of a new employment agreement he signed with a private practice group. Unfortunately, Dr. Skelly did not accurately fill out the application for privileges because he did not list a prior medical practice as his employer, and instead, listed his prior employer as the hospital that contracted with that practice entity for physician services. This error led to delays in processing his application for privileges that ultimately caused his new employer to terminate the employment agreement. Dr. Skelly sued the hospital for unreasonably interfering with the economic gains he expected from his employment agreement. The trial court dismissed his claims, and the Appellate Division came to the same conclusion, finding that "the record lacks competent evidence that [the hospital] intentionally or maliciously inflicted harm by delaying their approval process" because the "delays in the processing of Dr. Skelly's application were solely attributable to his failure to provide accurate and complete information and by the delays in receiving necessary employment verifications from other parties."

Physicians who have questions about how to answer certain questions on a privileges application should consult with counsel experienced in health care credentialing.

Attorney

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Practices

- White Collar Crime & Investigations
- Criminal Defense
- Appellate Practice
- Health Law
- Cannabis Law *

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