

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

PAUL A. LARSEN
Claimant

MERCY CLINICS INC.
Employer

Case No. 21IWDUI2105

APPEAL 21A-UI-07551

**ADMINISTRATIVE LAW JUDGE
DECISION**

**OC: 10/25/20
Claimant: Appellant (2)**

Iowa Code § 96.5(2)a – Discharge for Misconduct
Iowa Code § 96.5(1) – Voluntary Quitting

STATEMENT OF THE CASE:

The claimant/appellant filed an appeal from the March 9, 2021 (reference 04) unemployment insurance decision denying benefits. The parties were properly notified of the hearing. A telephone hearing was held on May 7, 2021. The claimant, Paul Larsen, participated personally. The employer, Mercy Clinics Inc., (Mercy) did not participate in the hearing. The administrative law judge took administrative notice of the claimant's unemployment insurance benefits records including the fact-finding documents.

ISSUES:

Was the separation a layoff, discharge for misconduct, or voluntary quit without good cause?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds:

Larsen began working as an account representative for the follow-up team in Mercy's Des Moines, Iowa physicians' billing office in October 2017. The position was full-time, and required Larsen to contact insurance companies to investigate the reason for an unpaid claim. He would then work with the insurance company to resolve any coding or other issues to ensure the claim could be paid.

During his hiring interview, which was conducted with the former director of operations, Larsen disclosed that he suffered from anxiety. He stated that he wanted to work solely on the team that investigated Wellmark Blue Cross Blue Shield (Wellmark) claims, due to his prior employment experience with Wellmark. The director of operations assured him he could work solely on the Wellmark team.

Larsen worked without incident until May 2020, at which time he was moved to the Medicare team due to an alleged claims backlog in that area. Larsen had no prior experience with Medicare, and became very anxious about the transition. Larsen immediately objected to the transfer, but nevertheless continued working.

Although Larsen was provided some training on Medicare rules and regulations, the training was insufficient to ease his anxiety. In June 2020, Larsen's anxiety became so severe that he was hospitalized for four days. He then took an authorized leave of absence.

Upon his return to work in July 2020, Larsen requested that he be allowed to transfer back to the Wellmark team, or reduce his schedule to 30 hours per week. Mercy declined these requests, explaining that the position was a full-time position and that the need was greatest in the Medicare claims area. Larsen disagreed that Mercy had no need in the Wellmark area, testifying that at least one Wellmark team member had a large backlog of claims at that time.

Larsen continued to struggle understanding Medicare regulations and policies, which in turn exacerbated his anxiety and led to intermittent absences from work. He was placed on a performance plan in August 2020, which did not help his mental health. Larsen's anxiety continued to escalate to the point that on October 26, 2020, Larsen emailed his direct supervisor and the department manager and stated he had no choice but to resign, effective immediately. Larsen testified credibly that he liked his job when investigating Wellmark claims, and would have continued working had he been allowed to transfer back to this area.

Iowa Code § 96.5(1) provides:

An individual shall be disqualified for benefits:

1. Voluntary quitting. If the individual has left work voluntarily without good cause attributable to the individual's employer, if so found by the department.

Iowa Code § 96.5(1) (2021). Section 96.5(2)(a) provides in turn:

An individual shall be disqualified for benefits:

2. Discharge for misconduct. If the department finds that the individual has been discharged for misconduct in connection with the individual's employment:
 - a. The individual shall be disqualified for benefits until the individual has worked in and has been paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

Iowa Code § 96.5(2)a (2021). First it must be determined whether the employee quit or was discharged from employment. The employee bears the burden to meet the basic eligibility requirements under Iowa Code § 96.4. It is the employer's burden to prove the claimant is disqualified for benefits pursuant to § 96.5(2)a.

Here, there is no evidence Larsen was discharged for misconduct. Rather, the sole issue is whether Larsen has met his burden to prove he quit voluntarily for good cause attributable to the employer. Iowa Code § 96.6(2) (2021).

The regulations include the following reason for a claimant leaving employment with good cause attributable to the employer:

24.26(1) A change in the contract of hire. An employer's willful breach of contract of hire shall not be a disqualifiable issue. *This would include any change that would jeopardize the worker's safety, health or morals.* The change of contract of hire must be substantial in nature and could involve changes in working hours, shifts, remuneration, location of

employment, drastic modification in type of work, etc. Minor changes in a worker's routine on the job would not constitute a change of contract of hire.

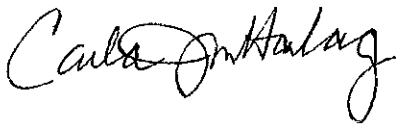
871-24.26(96) (emphasis added).

Larsen testified credibly that he disclosed his anxiety during his pre-employment interview, and was assured he would be required to work solely on the Wellmark team. In May 2020, Mercy transferred Larsen to the Medicare team against his will. Although Larson attempted to continue working, his anxiety spiked to the point he required a short-term hospitalization and leave of absence. Mercy then denied his request to move back to the Wellmark team or reduce his hours once he returned to work.

The sole evidence of record shows that Mercy's transfer of Larsen to the Medicare team, and the resulting pressure placed on him to learn the necessary Medicare rules and regulations, constituted a drastic modification in the type of work expected of him. This modification in turn jeopardized Larsen's mental health. Larsen therefore has met his burden to show he quit with good cause attributable to the employer. Benefits are allowed.

DECISION:

The March 9, 2021 (reference 04) unemployment insurance decision is **REVERSED**. Claimant quit with good cause attributable to the employer. Benefits are allowed, provided he is otherwise eligible. Any benefits claimed and withheld on this basis shall be paid.



Carla J. Hamborg
Administrative Law Judge

May 10, 2021
Decision Dated and Mailed

CJH/aa

cc: Paul A. Larsen, Claimant (by first class mail)
Mercy Clinics Inc, (by first class mail)
Nicole Merrill, IWD (by email)
Joni Benson, IWD (by email)