

The
Michigan
Law Firm, PLLC

717 S. Eton Street
Birmingham, MI 48009
www.TheMichiganLawFirm.com
Phone: 1.844.4MI.FIRM
Fax: 248.480.0906

FOR IMMEDIATE RELEASE
Friday, May 26, 2017

FIRM CONTACT:

Josh Freedman
Business Manager
Director of Provider Department
Josh@TheMichiganLawFirm.com

Michigan Supreme Court Ruling Affects Medical Providers And Car Accident Victims

Birmingham, MI - Yesterday, the Michigan Supreme Court issued a significant ruling in the *Covenant Medical Center v State Farm Mutual Automobile Insurance Company* case that affects all Michigan medical providers who treat auto accident victims. The Court ruled that “a healthcare provider does not possess a statutory cause of action against a no-fault insurer.”

Prior to the Court’s Opinion, it was well settled Michigan law that medical providers could bypass the car accident victim and sue the no-fault insurance company directly for unpaid bills. The standard for medical providers to collect unpaid no-fault related bills has likely now changed.

The *Covenant* decision points out that Michigan medical providers may still retain certain rights under Michigan law. The Court stated in a footnote that its conclusion was “not intended to alter an insured’s ability to assign his or her right to past or presently due benefits to a healthcare provider.”

Best practices for medical providers may now include working closely with car accident victims so that they better understand the billing process and to obtain signatures for assignments of rights to permit the medical provider to litigate against no-fault insurers directly for unpaid medical bills.

The effect of this Opinion on Michigan auto accident victims may be significant as well. It may become routine for medical providers to seek an assignment of rights from auto accident victims.

The full impact of this decision is not yet fully realized by the Michigan trial court practice. Today, multiple Wayne County Circuit Court judges did not hear medical provider motions to intervene into auto accident lawsuits and have already began implementing the Michigan Supreme Court ruling as it relates to MCL 500.3112 motions regarding disbursement of No-Fault settlements. It remains to be seen exactly how Michigan trial courts apply the *Covenant* decision moving forward.

The Michigan Law Firm, PLLC represents auto accident victims and medical providers across the state of Michigan. We are continuing to evaluate this new decision and will issue more analysis in the coming days and weeks regarding how *Covenant* will affect Michigan medical providers and Michigan auto accident victims.

For more information about The Michigan Law Firm, PLLC, visit www.themichiganlawfirm.com or call us at 844.4MI.FIRM.

The Michigan Law Firm, PLLC is a civil litigation firm which handles a variety of personal injury lawsuits including auto accidents, motorcycle accidents, medical provider cases, dog bites, and slip and falls.