

Covenant Medical v State Farm

On June 22, 2016, the Michigan Supreme Court granted CPAN's *Motion for Leave to File an Amicus Brief* in the case of *Covenant Medical Center, Inc. v State Farm*, which is currently pending in the Michigan Supreme Court (Docket No. 152758). CPAN's General Counsel, George T. Sinas, of the Sinas Dramis Law Firm, drafted and filed CPAN's Motion seeking *amicus* status and, in a recent statement, emphasized the significance of this case. Mr. Sinas stated:

"The Supreme Court's decision in the Covenant Medical case could very well be one of the most significant appellate court decisions in the long history of the Michigan Auto No-Fault Act. It is a case that will have a major impact on the legal rights of medical providers who treat auto accident victims. Essentially, the case will decide two fundamental issues: (1) whether medical providers who render services to accident victims have legally enforceable claims they can pursue directly against no-fault insurers for non-payment of the provider's charges; and (2) under what circumstances can a no-fault insurer discharge its liability to pay a provider's charges when the insurer makes a "good faith" payment of no-fault benefits to someone other than the provider. Not only will the decision have a substantial impact on the legal rights of medical providers, it will have a major impact on the overall operation of the no-fault system. Depriving medical providers of the right to pursue legal claims for payment of medical expenses would have numerous deleterious consequences regarding the overall operation of the Michigan auto no-fault system. Among those consequences are weakened enforcement of the statutory mandate for full and prompt payment of benefits; impaired access to medical care for accident victims whose bills are not paid; increased hardship for patients who would be forced to pursue legal action to get their medical bills paid; and an increased likelihood of significant medical cost shifting to other sectors of the Michigan health care economy that could occur as a consequence of unreimbursed auto-related medical care."

CPAN is very pleased that the Michigan Supreme Court has given permission for it to participate as an *amicus curiae* in this very important litigation. CPAN's Executive Committee has directed its Legal Team to give this case high priority. In furtherance of that directive, CPAN's attorneys have begun work on the *amicus* brief and will be assisted by outside counsel in the preparation of the final document. It is expected that the briefing in the *Covenant Medical* case will be completed sometime during the early fall of 2016, after which the Supreme Court will hear oral argument. A decision is not likely before the end of 2016, or sometime early in 2017.

Those having questions regarding the status of the *Covenant Medical* case or who need additional information, can contact CPAN's General Counsel, George T. Sinas, directly for further details.