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STATE OF MICHIGAN
COURT OF APPEALS

LARCHERI WINFIELD, Individually and as Next
Friend of UNIQUE ALLEN and HEAVEN
WINFIELD, Minors,

UNPUBLISHED
November 18, 2021

Plaintiff-Appellee,

v

No. 355681
Wayne Circuit Court
LC No. 19-015455-NF

STATE AUTO PROPERTY AND CASUALTY
INSURANCE COMPANY and STATE
AUTOMOBILE MUTUAL INSURANCE
COMPANY,

Defendants-Appellants.

Before: GLEICHER, P.J., and K. F. KELLY and RONAYNE KRAUSE, JJ.

PER CURIAM.

Defendants appeal by leave granted¹ the trial court’s order denying defendants’ motion for partial summary disposition under MCR 2.116(C)(10). Finding error warranting reversal, we reverse the trial court’s order denying defendants’ motion for partial summary disposition and remand for proceedings consistent with this opinion.

I. BASIC FACTS AND PROCEDURAL HISTORY

This case arises out of an April 2019 motor vehicle accident during which plaintiff and her minor children suffered injuries. Defendants issued plaintiff a no-fault insurance policy that was in effect at the time of the motor vehicle accident. After the motor vehicle accident, plaintiff and her minor children received treatment from several medical providers. Between June 7, 2019, and

¹ *Winfield v State Auto Prop & Cas Ins Co*, unpublished order of the Court of Appeals, entered February 22, 2021 (Docket No. 355681).

December 14, 2019, plaintiff assigned to the medical providers the rights to collect PIP benefits from defendants for the services rendered.

However, on November 18, 2019, plaintiff filed a single-count complaint seeking to collect personal protection insurance (PIP)² benefits from defendants on behalf of herself and her minor children pursuant to her no-fault insurance policy. Defendants moved for partial summary disposition under MCR 2.116(C)(10), alleging that, by executing valid assignments, plaintiff granted the medical providers the exclusive right to pursue payment for the medical expenses stemming from the motor vehicle accident. Plaintiff opposed the motion for summary disposition, contending that she simply gave permission to a provider to file a separate suit, but the assignment did not prevent plaintiff from seeking payment for a provider's services in her own litigation. The trial court issued an opinion and order denying defendants' motion for partial summary disposition. It found that the medical providers had not submitted written notice to defendants of an intent to pursue a claim through the assignments, and the mere execution of the assignments did not entitle defendants to relief. Rather, the trial court concluded that defendants would only be entitled to partial summary disposition if the medical providers at issue filed suit to enforce their rights under the assignments or otherwise provided defendants with written notice of their claims. This appeal followed.

II. ANALYSIS

Defendants assert that the trial court erred in denying the motion for partial summary disposition of plaintiff's action for recovery of PIP benefits for services rendered by medical providers to whom plaintiff had granted assignments because she was no longer the real party in interest. We agree.

The appellate court reviews de novo a trial court's decision on a motion for summary disposition. *El-Khalil v Oakwood Healthcare, Inc*, 504 Mich 152, 159; 934 NW2d 665 (2019). A motion under MCR 2.116(C)(10) tests the factual sufficiency of a claim. *Id.* at 160. When addressing a motion under MCR 2.116(C)(10), the trial court must consider all evidence submitted by the parties in the light most favorable to the nonmoving party. *Id.* "A motion under MCR 2.116(C)(10) may only be granted when there is no genuine issue of material fact." *Id.* (citation omitted). "A genuine issue of material fact exists when the record leaves open an issue upon which reasonable minds might differ." *Id.* (citation and quotation marks omitted). Additionally, "the issue of whether a plaintiff is the real party in interest is a question of law that we review de novo." *Cannon Twp v Rockford Pub Sch*, 311 Mich App 403, 411; 875 NW2d 242 (2015) (citation omitted).

Under the no-fault act, an insured is entitled to PIP benefits for "[a]llowable expenses consisting of reasonable charges incurred for reasonably necessary products, services and accommodations for an injured person's care, recovery, or rehabilitation." MCL 500.3107(1)(a).

² The phrase "PIP benefits" actually refers to personal protection insurance (PPI) benefits, but "PIP benefits" is commonly used to distinguish these benefits from property protection insurance benefits. See *Roberts v Farmers Ins Exch*, 275 Mich App 58, 66 n 4; 737 NW2d 332 (2007).

An insured may assign his or her right to past or presently due benefits to a healthcare provider. *Covenant Med Ctr, Inc v State Farm Mut Auto Ins Co*, 500 Mich 191, 217 n 40; 895 NW2d 490 (2017), superseded by statute as recognized in *Spectrum Health Hosps v Mich Assigned Claims Plan*, 330 Mich App 21; 944 NW2d 412 (2019).³ Under MCR 2.201(B), “[a]n action must be prosecuted in the name of the real party in interest” “A real party in interest is the one who is vested with the right of action on a given claim, although the beneficial interest may be in another.” *Barclae v Zarb*, 300 Mich App 455, 483; 834 NW2d 100 (2013) (citation omitted). The real party in interest doctrine “is essentially a prudential limitation on a litigant’s ability to raise the legal rights of another.” *In re Beatrice Rottenberg Living Trust*, 300 Mich App 339, 355; 833 NW2d 384 (2013) (citations omitted). The doctrine “recognizes that litigation should be begun only by a party having an interest that will assure sincere and vigorous advocacy” and “protects a defendant from multiple lawsuits for the same cause of action.” *Barclae*, 300 Mich App at 483 (citation omitted).

An assignment in law is defined as:

A transfer or setting over of property, or of some right or interest therein, from one person to another, and unless in some way qualified, it is properly the transfer of one’s whole interest in an estate, or chattel, or other thing. It is the act by which one person transfers to another, or causes to vest in another, his right of property or interest therein. [*Allardyce v Dart*, 291 Mich 642, 644-645; 289 NW 281 (1939) (citation omitted).]

“[A]n assignee of a cause of action becomes the real party in interest with respect to that cause of action, inasmuch as the assignment vests in the assignee all rights previously held by the assignor.” *Cannon Twp*, 311 Mich App at 412 (citations omitted). “An assignee stands in the position of the assignor, possessing the same rights and being subject to the same defenses.” *Burkhardt v Bailey*, 260 Mich App 636, 653; 680 NW2d 453 (2004) (citations omitted). “No particular form of words is required for an assignment, but the assignor must manifest an intent to transfer and must not retain any control or any power of revocation.” *Id.* at 654-655 (quotation marks and citations omitted).

Before filing her complaint on November 18, 2019, plaintiff assigned to various medical providers her right to collect PIP benefits from defendants. While the language of the assignments varied, each assignment vested in the medical providers the right to collect PIP benefits from defendants for medical services rendered to plaintiff and her minor children. Furthermore, there was no indication that plaintiff retained any power to revoke the assignments. Accordingly, the assignments were valid such that the medical providers stood in the position of plaintiff, possessed the same rights as plaintiff, and were subject to the same defenses as plaintiff. Indeed, “an assignee of a cause of action *becomes the real party in interest* with respect to that cause of action, inasmuch as the assignment vests in the assignee all rights previously held by the assignor.” *Cannon Twp*,

³ In *Spectrum Health Hosps v Mich Assigned Claims Plan*, 330 Mich App at 28 n 4, this Court stated that “[t]he Michigan Legislature ‘overruled’ *Covenant* by amending MCL 500.3112 to give healthcare providers the right to file a direct claim or cause of action against an insurer for reimbursement for services provided to an injured person.”

311 Mich App at 412 (emphasis added and citations omitted). In other words, after plaintiff executed the assignments, the medical providers became the real parties in interest, and only the medical providers had the ability to enforce the acquired rights.

However, plaintiff may still pursue her claim against defendants for services rendered by Comprehensive Neuropsychological Services, PC, because plaintiff assigned to this provider her right to collect PIP benefits from defendants after she filed the instant action. Indeed, plaintiff filed the instant complaint on November 18, 2019, and plaintiff assigned to Comprehensive Neuropsychological Services, PC, her right to collect PIP benefits from defendants on December 14, 2019. MCR 2.202(B) address party substitution and provides in relevant part as follows:

If there is a change or transfer of interest, the action may be continued by or against the original party in his or her original capacity, unless the court, on motion supported by affidavit, directs that the person to whom the interest is transferred be substituted for or joined with the original party, or directs that the original party be made a party in another capacity.

Here, no motions for substitution or joinder were made, and the trial court did not direct plaintiff to be made a party in another capacity. Accordingly, under the plain language of MCR 2.202(B), plaintiff may still pursue her claim against defendants for services rendered by Comprehensive Neuropsychological Services, PC, in light of her assignment to this provider her right to collect PIP benefits from defendants after she filed the instant action.

We further reject plaintiff's contention that application of MCL 500.3112 effectively precludes summary disposition. MCL 500.3112 provides, in relevant part, as follows:

Personal protection insurance benefits are payable to or for the benefit of an injured person or, in case of his or her death, to or for the benefit of his or her dependents. A health care provider listed in section 3157 may make a claim and assert a direct cause of action against an insurer, or under the assigned claims plan under sections 3171 to 3175, to recover overdue benefits payable for charges for products, services, or accommodations provided to an injured person. Payment by an insurer in good faith of personal protection insurance benefits, to or for the benefit of a person who it believes is entitled to the benefits, discharges the insurer's liability to the extent of the payments unless the insurer has been notified in writing of the claim of some other person. If there is doubt about the proper person to receive the benefits or the proper apportionment among the persons entitled to the benefits, the insurer, the claimant, or any other interested person may apply to the circuit court for an appropriate order.

Although plaintiff correctly notes that a health care provider may assert a direct cause of action against an insurer, and MCL 500.3112 insulates insurers from the threat of double payment for services rendered, MCL 500.3112 does not address the legal effect of an assignment on an insured's ability to collect benefits that were the subject of an assignment.

Lastly, we reject plaintiff's public policy argument. There is no indication that defendant raised the assignments to avoid paying PIP benefits. Moreover, defendant moved for partial

summary disposition pertaining to specific medical providers. Although a holding that only an assignee may enforce the rights acquired by way of an assignment has the potential to increase litigation, this Court has recognized the policy underlying the real party in interest doctrine. Indeed, the doctrine “recognizes that litigation should be begun only by a party having an interest that will assure sincere and vigorous advocacy” and “protects a defendant from multiple lawsuits for the same cause of action.” *Barclae*, 300 Mich App at 483 (citation omitted). Moreover, there is nothing to preclude plaintiff from negotiating with the medical providers to revoke the assignments or transfer the assignments to her to allow her to pursue those claims.

Reversed and remanded for further proceedings consistent with this opinion. We do not retain jurisdiction.

/s/ Elizabeth L. Gleicher

/s/ Kirsten Frank Kelly

/s/ Amy Ronayne Krause