

STATE OF MICHIGAN
COURT OF APPEALS

CENTRAL HOME HEALTH CARE SERVICES,

Plaintiff-Appellant,

v

CITIZENS UNITED RECIPROCAL EXCHANGE,

Defendant-Appellee.

UNPUBLISHED

September 25, 2026

8:49 AM

No. 376945

Washtenaw Circuit Court

LC No. 24-001293-NF

Before: MARIANI, P.J., and FEENEY and TREBILCOCK, JJ.

PER CURIAM.

In this action to recover personal protection insurance (PIP) benefits under the no-fault act, MCL 500.3101 *et seq.*, plaintiff, Central Home Health Care Services, appeals by right the trial court’s order granting summary disposition under MCR 2.116(C)(10) (no genuine issue of material fact) in favor of defendant, Citizens United Reciprocal Exchange. We reverse and remand for further proceedings.

I. BACKGROUND

On November 18, 2022, Daniel Wilson was injured in a motor vehicle collision. At the time of the collision, Wilson had an automobile insurance policy through defendant, which included a \$250,000 coverage limit on his PIP medical benefits. Over the ensuing year and a half, Wilson was treated at several medical facilities, participated in physical therapy, and received attendant care and household replacement services due to his injuries.

As Wilson first received treatment following the collision, defendant paid PIP benefits to various providers for the services rendered, but as services continued, the total amount claimed for those services quickly exceeded the \$250,000 coverage limit. On April 18, 2024, defendant, Wilson, and a number of providers participated in a global facilitation hearing to determine how to distribute the roughly \$181,000 in remaining PIP benefits. No agreement was reached at the hearing; instead, over the ensuing weeks, the hearing’s participants continued negotiations about the distribution via email, with additional providers folded into those negotiations along the way.

On May 22, 2024—approximately one month after the facilitation hearing occurred, but while distribution negotiations were still ongoing—plaintiff sent defendant a claim detailing the home-health services it had provided to Wilson from January 30 through April 16, 2024, and the amount owed for those services. Plaintiff had not previously made a claim in connection with this matter and had not been involved in the prior facilitation hearing or the negotiations regarding distribution that had followed. Defendant received the claim and, on May 31, 2024, an explanation of benefits (EOB) was issued to plaintiff stating that the claim was denied.¹ Meanwhile, defendant continued to negotiate about the distribution of the remaining PIP benefits with Wilson and other providers involved in his care; plaintiff was never brought into these negotiations. Defendant, Wilson, and the other providers eventually agreed to a pro rata distribution of the remaining funds and defendant thereafter paid Wilson and those providers, exhausting the \$250,000 coverage limit. Plaintiff never received any payment from defendant for its claim.

In October 2024, plaintiff filed a direct cause of action under MCL 500.3112 against defendant, seeking to recover PIP benefits for the services it had provided to Wilson following the collision, plus penalty interest and attorney fees. Defendant subsequently moved for summary disposition under MCR 2.116(C)(10). According to defendant, plaintiff was precluded from claiming PIP benefits against it because the \$250,000 policy limit had already been exhausted through defendant's payments to other claimants, and defendant had been "entirely unaware" of plaintiff's claim at the time of the April 18, 2024 facilitation hearing, which was when it "extended the remaining policy limits to all providers/claimants with outstanding claims." Defendant reasoned that, "[a]lthough the settlements took time to finalize, the extension of the remainder of the policy limits was completed prior to the submission of Plaintiff's bills"—which defendant received in "late May 2024"—and defendant had thus "exhausted its policy limits in good faith with all claimants of which it was aware at the time." As evidentiary support, defendant provided, in relevant part: (1) a payment ledger reflecting its distribution of the PIP benefits to various providers; (2) several facilitation summaries, including defendant's, that were created in preparation for the April 18, 2024 facilitation hearing; (3) email correspondence between counsel for defendant and various providers from May 23 to June 20, 2024, regarding the distribution of the PIP benefits; and (4) a copy of plaintiff's May 22, 2024 claim regarding services it had provided to Wilson.

In response, plaintiff argued that defendant was not entitled to summary disposition because the evidence showed that defendant had not yet exhausted the \$250,000 policy limit at the time that it had received plaintiff's claim; accordingly, defendant's distribution of the remaining PIP benefits to other claimants but not to plaintiff, despite having written notice of plaintiff's claim, did not constitute the "[p]ayment . . . in good faith" necessary to discharge defendant's liability to

¹ The record contains two EOBs regarding plaintiff's claim, both dated May 31, 2024; one states that the claim was denied because "[d]uplicate treatment [had been] previously provided by the same provider," while the other states that the claim was denied because "[b]enefits for this medical specialty ha[d] been terminated based on the results of an Independent Medical Exam."

plaintiff under MCL 500.3112.² Plaintiff pointed out that defendant had, by its own admission, received plaintiff's claim on May 23, 2024, and that defendant's own emails showed that defendant's final distribution settlement regarding the remaining PIP benefits did not occur until June 20, 2024, which was nearly a month later. Plaintiff also provided a copy of the May 31, 2024 EOB as further proof that defendant "had acknowledged [plaintiff's] claim" prior to exhausting its policy limits—highlighting that the EOB did not offer such exhaustion as a basis for denying the claim. Plaintiff also stressed that the email correspondence provided by defendant demonstrated that on June 6, 2024, defendant had added several other providers that had not been involved in the April 18, 2024 facilitation hearing to its proposed pro rata distribution of the remaining PIP benefits; defendant, meanwhile, never likewise included plaintiff in the distribution or related negotiations, despite "having clear knowledge of [plaintiff's] claim."

Defendant filed a reply, in which it generally reiterated its prior arguments and maintained that plaintiff lacked adequate legal support for its position that defendant had not acted in good faith or could be held liable to plaintiff under MCL 500.3112 despite having already exhausted the \$250,000 policy limit. Following a hearing on the matter, at which the parties argued consistently with their briefs, the trial court granted defendant's motion for summary disposition. The court concluded that "the motion for summary disposition should be granted under [MCR 2.116](C)(10) for all the reasons argued by defendant" because "the policy limit ha[d] been reached" and plaintiff's "arguments of bad faith or statutory violations" regarding MCL 500.3112 "would [not] cause [the court] to find otherwise[.]" This appeal followed.

II. STANDARDS OF REVIEW

We review de novo a trial court's decision on a motion for summary disposition. *Cantina Enterprises II Inc v Property-Owners Ins Co*, 349 Mich App 682, 689; 28 NW3d 800 (2024). A motion for summary disposition under MCR 2.116(C)(10) tests the factual sufficiency of a claim, and it is "properly granted when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law." *Id.* All evidence submitted by the parties must be viewed "in the light most favorable to the party opposing the motion," *id.* at 690, and "shall only be considered to the extent that the content or substance would be admissible as evidence to establish or deny the grounds stated in the motion," MCR 2.116(G)(6). "A genuine issue of material fact exists when the record leaves open an issue upon which reasonable minds might disagree." *Green v Pontiac Pub Library*, 350 Mich App 478, 493; 32 NW3d 487 (2024). "To the extent [the] analysis requires the interpretation of . . . statutory language, our review is also de novo." *Barshaw v Allegheny Performance Plastics, LLC*, 334 Mich App 741, 747; 965 NW2d 729 (2020).

III. DISCUSSION

² Plaintiff also argued that defendant was required to file a motion under MCL 500.3112 seeking a court order before paying out the remaining PIP benefits to Wilson and the various providers involved in his medical care. But plaintiff has abandoned this argument on appeal, acknowledging that this Court has squarely addressed—and rejected—it in *Phase One Rehab, LLC v Allstate Prop & Cas Ins Co*, ___ Mich App ___, ___; ___ NW3d ___ (2025) (Docket No. 369413); slip op at 7-8, which is precedentially binding. See MCR 7.215(C)(2) and (J)(1).

As below, plaintiff argues on appeal that the proffered evidence shows that defendant had not already exhausted its \$250,000 policy limit at the time that it received plaintiff's claim and thus defendant was not discharged of its liability under MCL 500.3112 with respect to that claim. Accordingly, plaintiff maintains, defendant is not entitled to summary disposition on the basis of exhaustion and the trial court erred by concluding otherwise. We agree.

An insurer is liable to a qualifying healthcare provider for payment of PIP benefits "for accidental bodily injury arising out of the ownership, operation, maintenance or use of a motor vehicle as a motor vehicle." MCL 500.3105(1); see also MCL 500.3112; MCL 500.3157. "PIP benefits are payable for 'allowable expenses consisting of reasonable charges incurred for reasonably necessary products, services and accommodations for an injured person's care, recovery, or rehabilitation.'" *Phase One Rehab, LLC v Allstate Prop & Cas Ins Co*, ___ Mich App ___, ___; ___ NW3d ___ (2025) (Docket No. 369413); slip op at 5, quoting MCL 500.3107(1)(a) (alteration omitted). "Payment by an insurer in good faith of [PIP] 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." MCL 500.3112. "As an assertion that an amount owed has been discharged by payment, MCL 500.3112 functions as an affirmative defense and places the burden on the insurer to come forward with evidence to support this defense." *Phase One*, ___ Mich App at ___; slip op at 5.

Both below and on appeal, defendant has maintained that it is entitled to summary disposition under MCR 2.116(C)(10) because it "extended the remaining policy limits to all providers/claimants with outstanding claims for allowable expenses on April 18, 2024" at the facilitation hearing, which occurred before it received plaintiff's claim in "late May 2024." As the moving party, defendant bears "the initial burden of supporting its position by affidavits, depositions, admissions, or other documentary evidence." *Id.* at ___; slip op at 6 (quotation marks and citations omitted); see also MCR 2.116(G)(3)(b) and (4). If defendant meets this initial burden, the burden then shifts to plaintiff "to establish that a genuine issue of disputed fact exists." *Phase One*, ___ Mich App at ___; slip op at 6.

As discussed, the evidence defendant put forth to support its position was a payment ledger, several facilitation summaries created in preparation for the April 18, 2024 facilitation hearing, email correspondence between counsel for defendant and various providers regarding the distribution of the remaining PIP benefits, and a copy of plaintiff's claim. These proofs show that defendant participated in a facilitation hearing with Wilson and several of his providers on April 18, 2024, and eventually paid prorated amounts to numerous providers that, together, exhausted the \$250,000 coverage limit of its policy. But these proofs do not establish that defendant exhausted that policy limit *before* it received plaintiff's claim; if anything, they demonstrate the opposite.

To start, while defendant offered several facilitation summaries related to the April 18, 2024 facilitation hearing in support of its motion, it did not provide any resulting facilitation agreements, settlement releases, or dismissals. Thus, these proofs demonstrate that defendant participated in a facilitation hearing on April 18, 2024 with various parties, but they do not demonstrate that an agreement regarding defendant's distribution of PIP benefits was reached on that date. And indeed, the email correspondence offered by defendant shows that there was no

such agreement at that time, and that the matter continued to be negotiated over the weeks that followed—including after defendant’s receipt of plaintiff’s claim. A May 23, 2024 email from defendant’s counsel expressly stated that the parties had “attempted to facilitate all outstanding claims” but had “reached an impasse,” and that the proposed pro rata distribution of the PIP benefits included in the email had to be approved by all parties before defendant could “begin to finalize settlements and order checks.” Subsequent emails sent by defendant’s counsel on June 6 and June 7, 2024—which was undisputedly after defendant had received plaintiff’s claim—stated that there were additional claims from certain providers not originally involved in the facilitation hearing or ensuing email negotiations, and provided an updated proposed distribution factoring in those new providers’ claims while reiterating that defendant could not “finalize settlements and exhaust the policy limits” until it had received approval from all parties. An email from defendant’s counsel on June 20, 2024, indicated that all such approvals had been received and counsel would “be sending around releases and dismissals . . . at the agreed-upon amounts.” Throughout these emails, no mention was made of plaintiff or its claim. These proofs alone demonstrate that defendant had not reached any sort of final or binding agreement regarding exhaustion of the PIP benefits available under the policy until June 20, 2024 at the earliest, which was nearly a month after it had received plaintiff’s claim.³

Defendant’s payment ledger and the EOB sent to plaintiff only further demonstrate that defendant did not exhaust the remaining PIP benefits until well after it had received plaintiff’s claim. Consistent with defendant’s admission that it received plaintiff’s claim in “late May 2024,” the EOB indicates that written notice of plaintiff’s claim was received on May 23, 2024, and that a response denying the claim was issued on May 31, 2024. In denying the claim, the EOB makes no mention of the policy limit already being exhausted. As for the payment ledger, it shows that defendant paid approximately \$69,000 to numerous providers between March 27, 2023, and April 17, 2024, for services provided to Wilson during the first several months after the collision; no additional payments were issued until July 10, 2024, or approximately six weeks after defendant had received plaintiff’s claim. And taking the payment ledger together with the email correspondence, it is clear that defendant distributed the remaining PIP benefits to various claimants through a series of payments made between July 10, 2024, and February 11, 2025.

Accordingly, while defendant emphasizes that “it extended an offer to all known persons/entities with active claims for benefits under” its policy at the April 18, 2024 facilitation hearing, the record evidence demonstrates that defendant had not paid out the policy limit, or even agreed upon a final distribution among claimants for doing so, until well after that date—and also well after it had received written notice of plaintiff’s claim. Viewing this evidence in the light most favorable to plaintiff, *Cantina Enterprises*, 349 Mich App at 690, we fail to see how defendant can be deemed, as a matter of law, to have “discharge[d] [its] liability to the extent of” its policy limits such that plaintiff’s claim against it would be foreclosed, MCL 500.3112. See also *id.* (providing that “[p]ayment by an insurer in good faith of [PIP] benefits . . . discharges the

³ As noted, defendant did not provide the trial court or this Court with copies of any agreements, settlement releases, or dismissals that ultimately resulted from the negotiations; accordingly, the record does not make clear the exact date or dates on which any such agreements, releases, or dismissals were entered into by the parties.

insurer's liability to the extent of the payments unless the insurer has been notified in writing of the claim of some other person") (emphasis added); *Phase One*, ___ Mich App at ___; slip op at 6-7 (concluding that the trial court erred by granting summary disposition to the defendant-insurer when the insurer failed to put forth sufficient proofs demonstrating that it had exhausted the available PIP benefits pursuant to a facilitation agreement prior to receiving written notice of the plaintiff-provider's claim).

Resisting this conclusion, defendant argues that MCL 500.3112 and its discharge provision are "irrelevant" to this case because "the policy was exhausted" and, "[a]t the time of the global facilitation on April 18, 2024, there was no doubt or question as to the proper payee(s) for the benefits." We do not see how MCL 500.3112 is irrelevant to this case or how defendant can otherwise prevail on its motion. As discussed, the record belies the notion that any final agreement or determination was reached at the facilitation hearing regarding the claimants to whom the remaining PIP benefits would be distributed or the amounts they each would receive. To the extent defendant suggests that it cannot, as a matter of law, be liable for plaintiff's claim simply because it subsequently agreed to, and did, pay out the policy limit to other claimants—despite having written notice of plaintiff's claim before doing so—it has offered no legal support for that proposition or explained how it might be compatible with the plain terms of MCL 500.3112. See *ER Drugs v Dep't of Health & Human Servs*, 341 Mich App 133, 146-147; 988 NW2d 826 (2022) ("It is not sufficient for a party simply to announce a position or assert an error and then leave it up to this Court to discover and rationalize the basis for [its] claims, or unravel and elaborate for [it its] arguments, and then search for authority either to sustain or reject [its] position.") (quotation marks and citation omitted). Given the record and arguments before us, we see no sound basis to conclude that defendant is entitled to summary disposition as to plaintiff's claim against it on the basis of exhaustion of its \$250,000 policy limit.

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

/s/ Philip P. Mariani
/s/ Kathleen A. Feeney
/s/ Christopher M. Trebilcock