

no-fault newslines

A ROAD MAP FOR MOTOR VEHICLE INSURERS AND OWNERS

Provider May Not Aggregate the Bills of Multiple Individuals to Reach Jurisdictional Minimum

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Priority Patient Transport provided medical transportation to 14 separate insureds of Farmers Insurance. After Farmers did not provide reimbursement for the transportation, Priority Patient Transport filed suit against Farmers. None of the individual bills exceeded \$25,000. However, by adding all of the bills together, the total claim exceeded \$25,000.

The provider filed its lawsuit in Wayne County Circuit Court where a plaintiff must plead at least \$25,000 in potential damages to meet the jurisdictional minimum. In its complaint, Priority Patient Transport alleged that its damages were in an amount greater than \$25,000 plus penalties, interest, and attorney fees. Farmers filed a motion for summary disposition arguing that Priority Patient Transport could not aggregate the 14 individual bills to meet the jurisdictional requirement and, therefore, the circuit court lacked subject matter jurisdiction. The trial court agreed and dismissed the case.

On appeal, Priority Patient Transport argued that it had the ability to join its multiple claims related to each of the individual claimants. By doing so, it argued that it could aggregate the claims to meet the \$25,000 threshold necessary to file in circuit court.

The Court of Appeals first referenced case law standing for the proposition that the pleadings alone will determine a court's jurisdiction. In that regard, Priority Patient Transport had pled damages exceeding \$25,000. However, the court also referenced a prior published opinion, *Boyd v Nelson Credit Ctrs, Inc.*, 132 Mich App 774; NW2d 25 (1984), where the Court of Appeals held that the individual claims of multiple plaintiffs cannot be aggregated to reach the jurisdictional minimum for circuit court in a case which is not a class action.

SECRET WARDLE NOTES

A provider may have multiple claims against the same no-fault carrier, all resulting from services rendered to different individuals. Under certain circumstances, for example when each of the individual claims is for a relatively small amount, the provider may want to file a single lawsuit in circuit court seeking reimbursement from a single carrier for all of the claims at once.

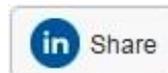
In an unpublished opinion, the Court of Appeals provided guidance on whether a provider may do so. A provider is not permitted to combine the claims of various individual claimants to reach the jurisdictional minimum.

Ultimately, the Court of Appeals upheld the trial court's dismissal in finding that the provider was not permitted to aggregate the claims of multiple claimants to reach the jurisdictional minimum.

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