

COA Opinion: Insurer entitled to medical records in order to determine whether coverage exists and billing is proper

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On July 22, 2010, the Michigan Court of Appeals published its opinion in *State Farm Insurance Co. v. Broe Rehabilitation Services, Inc.* No. 289230. The plaintiff-insurer filed a “complaint for discovery” against the defendant-healthcare-provider. The plaintiff asked the trial court to compel the defendant to provide medical records and to force the defendant’s employees to submit to examinations under oath in order to allow the plaintiff to determine whether the defendant was properly billing the plaintiff and whether the treatments were covered. The defendant had refused to do either. The defendant sought summary disposition on the ground that the trial court had no jurisdiction because “there was no dispute between the parties.” The trial court denied summary disposition and issued an order compelling discovery. The Court of Appeals affirmed the trial court’s denial of summary disposition.

The court looked past the form of the plaintiff’s complaint, determining that in essence the complaint was a declaratory-judgment action seeking a determination of the parties’ rights and responsibilities under MCL 500.3138 and MCL 500.3159 and equitable relief of an order compelling discovery, and reviewed the complaint as though it had laid out these claims.

MCL 500.3158 requires healthcare providers to provide medical records to insurers. MCL 500.3159 states, in relevant part, “In a dispute regarding an insurer’s right to discovery of facts about an injured person’s earnings or about his history, condition, treatment and dates and costs of treatment, a court may enter an order for the discovery.” Thus, the plaintiff had a valid claim to the medical records and information, and so there was an active dispute between the parties because the defendant refused to provide them. For these reasons, the court held that the plaintiff had standing and affirmed the denial of summary disposition.

The court then vacated the order compelling discovery and remanded the case for proceedings consistent with its opinion. The court also held that the insureds were interested parties and entitled to notice of the proceedings.