

## COA Opinion: Uninsured patient's agreement with hospital unambiguously required patient to pay full service fees, not discounted fees paid by insurance companies

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17. March 2010

On March 16, 2010, the Michigan Court of Appeals published its opinion in *Holland v. Trinity Health Care Corp.*, No. 280657. The uninsured plaintiff signed a contract to pay the defendant-hospital the “usual and customary charges” for the treatment she received. The court held that this phrase unambiguously referred to the defendant’s “Charge Master,” rather than the discounted payments the defendant accepts from insurers or the government.

The plaintiff went to the defendant-hospital for medical treatment. She signed a contract stating that she would pay the defendant-hospital the “usual and customary charges” for the treatment she received. The defendant-hospital billed the plaintiff according to the prices stated in its “Charge Master.” The Charge Master is a list of the undiscounted costs of the defendant-hospital’s services. The plaintiff sued, arguing that “usual and customary charges” meant the discounted payments the hospital accepts from the majority of its patients, who are insured through either the government or an insurance company. The defendant hospital responded that “usual and customary charges” unambiguously referred to the prices listed in the Charge Master, and moved for summary disposition on that ground. The trial court agreed and granted summary disposition. The Court of Appeals affirmed.