STATE OF MICHIGAN

COURT OF APPEALS

MARILYN VAN NORTWICK, Plaintiff-Appellee,	UNPUBLISHED April 15, 2003
v	No. 237310 Washtenaw Circuit Court
AUTO-OWNERS INSURANCE COMPANY, Defendant-Appellant.	LC No. 99-005335-NF

Before: Jansen, P.J. and Kelly and Fort Hood, JJ.

PER CURIAM.

Defendant appeals as of right the order granting plaintiff's motion for summary disposition. We reverse. This appeal is being decided without oral argument pursuant to MCR 7.214(E).

Plaintiff was injured in a motor vehicle accident and sought personal protection insurance benefits from defendant, her insurer. She was billed $225,580.00 by the hospital for medical treatment. The hospital submitted its bill to Medicare, and received $100,259.47, which it accepted as payment in full for its services. Thereafter, defendant reimbursed Medicare for that amount, as it had primary coverage. The trial court found that plaintiff had incurred the entire expense stated in the hospital's bill, and granted plaintiff judgment for the difference in the amount billed and the amount paid.

This Court will review de novo a trial court's summary disposition ruling. *Smith v Globe Life Ins Co*, 460 Mich 446, 454; 597 NW2d 28 (1999).

The no-fault act contains the following provision regarding the payment of medical expenses:

> (1) Except as provided in subsection (2), personal protection insurance benefits are payable for the following:
>
> (a) Allowable expenses consisting of all reasonable charges incurred for reasonably necessary products, services and accommodations for an injured person's care, recovery, or rehabilitation….[MCL 500.3107].

In *Shanafelt v Allstate Ins Co*, 217 Mich App 625; 552 NW2d 671 (1996), the plaintiff's medical expenses were paid by her health insurer, and she sought similar payment from her uncoordinated no-fault policy. The defendant argued that plaintiff had not incurred the medical expense where the health insurer had paid the medical bills. The Court found that the term "incur" was not defined in the no-fault statute, and it employed the dictionary definition of incur as meaning "to become liable for." Where the plaintiff became liable for her medical expenses when she accepted treatment, the Court found that the expenses were incurred, without regard to whether she was later compensated by her health insurer.

In *Bombalski v Auto Club Ins Ass'n*, 247 Mich App 536; 637 NW2d 251 (2001), the Court extended the *Shanafelt* analysis. Employing the *Shanafelt* definition of incur as "to become liable for," the Court found that where a health care provider accepted payment from a health insurer as payment in full, the plaintiff was relieved of any responsibility or legal obligation to pay the providers further amounts. Because the plaintiff bore no liability for the full medical service amounts initially charged by his health care providers, he had not incurred the full charges. *Bombalski*, at 543. An insurer paying benefits under § 3107 need not pay any amount except upon evidence that the services were actually rendered and the actual costs expended. *Id.*

Here, defendant submitted an affidavit from the health care provider indicating that it accepted the Medicare payment as full and final payment of the costs incurred for plaintiff's hospitalization, and it had closed its file on the matter. Where the health care provider accepted the Medicare payment as payment in full, plaintiff had no additional liability and incurred no other expenses.

Reversed and remanded for entry of judgment for defendant. We do not retain jurisdiction.

/s/ Kathleen Jansen
/s/ Kirsten Frank Kelly
/s/ Karen M. Fort Hood