

***Dameron Hospital Assn. v. AAA Northern California, Nevada & Utah Ins. Exchange,***  
**74 Cal. App. 5th 796**

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*Third District Court of Appeal held that a hospital provider of emergency services could not collect payment on assignment for emergency services from UM or MP policy benefits due to patients with health insurance*

**FACTS:** Appellant Dameron Hospital Association (Dameron) required patients or their family members to sign Conditions of Admissions (COAs) when Dameron provided the patients' medical care. The COAs at issue in this case contained language that assigned to Dameron direct payment of uninsured and underinsured motorist (UM) benefits and medical payment (MP) benefits that would otherwise be payable to those patients under their automobile insurance policies. Dameron treated five of California State Automobile Association Inter-Insurance Bureau's ("CSAA") insureds for injuries following automobile accidents. Those patients had UM and/or MP coverage as part of their CSAA coverage, and Dameron sought to collect payment for those services from the patients' UM and/or MP benefits at Dameron's full rates. Instead of paying to Dameron the lesser of either all benefits due to the patients under their UM and MP coverage, or Dameron's full charges, CSAA paid portions of those benefits directly to the patients which left balances owing on some of Dameron's bills.

**PROCEDURAL POSTURE:** Dameron sued CSAA in May 2011, seeking UM and MP benefits that Dameron alleged CSAA owed to it under the assignments contained in the COAs that CSAA's insureds had signed. The First Amended Complaint stated two causes of action: (i) an "unfair business practices" claim under Business and Professions Code § 17200 et seq., and (ii) a breach of contract claim for damages and declaratory relief based on CSAA's purported failure to honor the patients' purported assignments of their UM and/or MP benefits to Dameron. The trial court sustained CSAA's demurrer to the first cause of action without leave. The trial court later ruled in favor of CSAA's motion for summary judgment on the First Amended Complaint in an order that adopted CSAA's argument that Dameron had no standing or authority to enforce any of the assignments contained in the COAs as a matter of law.

**HOLDING:** Affirmed, in part, and Remanded. The Third District Court of Appeal principally held that emergency services provider Appellant could not collect payment for emergency services rendered from un- and underinsured motorist benefits and medical payment benefits that would otherwise be *directly* payable *from* insurance policy carrier Respondent *to* patients to whom services were rendered.

**DISCUSSION:** In its well-reasoned written opinion, the court said this case "hinge[d] on Dameron's position that in failing to honor the purported assignments and pay UM and MP benefits to Dameron, CSAA acted unfairly and/or unlawfully." The court dispensed with Dameron's unfair business practices claim on procedural grounds, ruling that "Dameron forfeited its right to argue its first cause of action should be reinstated by failing to raise that argument in its opening brief." However, the court reached and discussed at length the merits of Dameron's other claim, for breach of contract. In sum, the court held Dameron could not collect payment for emergency services from the UM or MP benefits due to patients that were covered under health insurance policies. Further, the court held: (1) the COA contracts were adhesive; (2) it was beyond patients' reasonable expectations that a hospital would collect payments for emergency care directly from UM benefits; and (3) a trier of fact could find it within reasonable expectations of patients that a hospital collect payments for emergency care directly out of MP benefits. Citing *Prospect Medical Group, Inc. v. Northridge Emergency Group* (2009) 45 Cal.4th 497, the court noted that "doctors may not bring patients into a fee dispute," with an insurer, something that the court said Dameron in essence did by "asking [the patients] or their family members to sign COAs that purport to give Dameron permission to make a claim on" the patients' *first party* UM and MP benefits. The court therefore concluded Dameron could not maintain causes of action to collect MP or UM benefits due to four of the five patients directly from CSAA. However, consistent with this opinion, the trial court could consider whether an enforceable assignment of MP benefits was made by one adult patient.