***Accident Care & Treatment Ctr., Inc. v. CSAA Gen. Ins. Co*., 2023 OK 105, -- P.3d –**

Accident Care and Treatment Center and others (“Providers”) sued CSAA General Insurance Company (CSAA) to enforce medical liens for treatment of a person injured in an MVA. CSAA claimed the charges were unreasonable and that some of the services were unnecessary. Providers countered that CSAA lacked standing to contest the charges absent an assignment from the injured party. CSAA claimed that the lack of an express assignment was an oversight but that the assignment was proven by the settlement negotiations. *Id.* at ¶ 0.

The trial court granted summary judgment to Providers holding that there was no express assignment in the release and the Parol Evidence Rule barred presentation of evidence to establish an implied assignment. The Court of Civil Appeals reversed, holding that there was a question of fact regarding the claimed assignment. The Supreme Court vacated the COCA decision because there was no assignment in the executed release and in the absence of fraud all pre-release negotiations were merged into and superseded by the terms of the executed release. The Court remanded for proceedings consistent with the opinion. *Id.*

Issue presented: “We are presented with the question of whether an insurance company that drafted a settlement release and failed to include language for an assignment, may introduce parol evidence to try and prove the Releasor/injured party assigned certain rights to insurance company giving it legal standing to dispute medical liens.” ¶ 1.

Holding: “We hold, absent fraud, a release which is in writing and where the parties affirmatively warranted "that no promise or inducement has been offered except as herein set forth," supersedes all oral stipulations or negotiations preceding its execution, and parol evidence is not admissible to modify or change the release.” ¶ 1.

Facts and history: Several providers[[1]](#footnote-1) rendered services to Gayla Hamilton after she was hurt in a wreck caused by the negligence of others. CSAA insured those responsible for the wreck. It was undisputed that each Provider filed a lien notice “against [the AAA (CSAA) claim number]” and that CSAA had actual notice of the liens. The claim was settled, with $7,500 going to Hamilton and separate—reduced—payments to Providers from CSAA. It was also undisputed that CSAA did not have Providers’ consent to reduce their liens. *Id.* at ¶¶ 2-3.

CSAA prepared the release and was “solely responsible for the terms.” Hamilton agreed to release CSAA and the release contained a “warranty” that there was no other promise given to induce the settlement and that the release was executed without reliance upon any statement or representation by the released parties, their representatives, their physicians, or any other person, “concerning the nature and extent” of damages “and of legal liability therefor.” *Id.* at ¶ 3.

In addition to the warranty, Hamilton agreed to indemnify CSAA against any medical lien or services. Hamilton was also responsible, per the release, to distribute all funds to satisfy “*all past, present, or future medical expenses.”* *Id.*

Hamilton’s medical billing totaled more than $60,000. In addition to paying Hamilton the $7,500, CSAA made partial payments to each Provider. That left a total remaining balance of about $8500. Despite that, Providers sought from CSAA only the amount paid to Hamilton. *Id.* at ¶ 4.

CSAA did not dispute Providers factual statement and added only two additional facts of its own to the summary judgment record:

1. In the settlement between Defendant and the claimant, Defendant received an assignment from the claimant, granting Defendant an option to resolve her medical bills itself in any of several ways.

2. Defendant chose to exercise that option by challenging the correctness and validity of the debt underlying the Plaintiff's claimed lien.

*Id.* at ¶¶ 5-6. The opinion notes “the record . . . does not support either of these statements.” *Id.* at ¶ 6.

Per the opinion, the record also did not support CSAA’s claims (1) that Ms. Hamilton agreed that the charges were excessive or (2) that she gave CSAA permission to pay Providers a reduced amount. *Id.* at ¶ 7. USAA had concluded that this “conduct” was evidence of the implied assignment. *Id.* While the Court rejected the factual claims, it also noted that CSAA cited no legal authority that such “conduct” could support “this unique concept of an ‘implied assignment.’” *Id.*

The record did show that the release signed by Hamilton showed the reduced amounts paid to Providers. Though the Court does not expressly say as much, that was apparently not enough to prove the claimed assignment. *Id.* at ¶ 7

Additionally, CSAA argued that claims notes and a letter from CSAA to Hamilton transmitting the release also created a fact question regarding the claimed assignment. But nothing in these materials “support[ed the claim] there was any discussion about an assignment.” *Id.* at ¶ 8. At most these materials showed that CSAA told Hamilton that Providers “typically inflate their billing” and that CSAA would only be responsible for the “usual and customary charges.” *Id.* But again, there was just no discussion about an assignment. *Id.*

CSAA also cited to an earlier Court of Civil Appeals case, *Accident Care and Treatment Center v. CSAA General Insurance Co., (Accident Care I*), 2021 OK CIV APP 3, ¶ 37, 483 P.3d 1, 11, for the proposition that it would have the right to contest the charges if there was a valid assignment. *Id.* Providers agreed with that proposition. *Id.* at ¶ 9. But the Providers claimed there was no evidence to show an assignment. *Id.*

The Court agreed with Providers because an assignment “is the *expressed intent* of one party to pass rights owned to another.” *Id.* Quoting *Randall v. Travelers Casualty and Surety Co.,* 2006 OK 65, ¶ 22, 145 P.3d 1048, 1054. Emphasis original to *Accident Care* butadded to *Randall*.

After the above long summary of the record, the Court then turned to the trial court proceedings. As noted, the trial court rejected CSAA’s arguments and held that no assignment was contained in the release and the Parol Evidence Rule prevented consideration of matters “outside the four corners of the [release]. . . .” *Id.* at ¶ 10.

In the appeal, CSAA raised two issues consist with the facts as stated above:

(1) whether evidence of an implied assignment by one party to another may be found outside the four corners of a Release Contract entered into by those same two parties; and

(2) whether the trial court erred in applying the parol evidence rule to preclude evidence that an assignment occurred between those parties which was not memorialized in the Release Agreement between the parties.

*Id.* at ¶ 11. Providers responded that CSAA “intentionally violated” the lien statute (42 O.S. 2011 § 46(B), by settling the claim with knowledge of the liens and then issuing reduced payment checks to Providers. They also argued that the Parol Evidence Rule applied to preclude evidence extrinsic to the contract. *Id.*

As noted, the COCA reversed and remanded for determination of a factual dispute regarding the existence of an implied lien. *Id.* at ¶ 13.

Providers sought and obtained certiorari review by the Supreme Court, noting that the COCA relied upon and expanded its earlier decision in *Accident Care I* which had the effect of usurping the medical lien statute. Providers also argued that *Accident Care I* gives insurers a way to sidestep the lien statute by claiming that virtually any pre-settlement communication “implicitly conveys an assigned right to dispute medical lien amounts.” *Id.* at ¶ 14. Providers raised the concern that such a rule will result in medical providers refusing to provide quick treatment for accident victims but will instead require pre-approval by the tortfeasor’s insurer. *Id.* Providers argued that the COCA decision violated the following established Supreme Court precedent on contract law:

(1) the execution of a contract in writing supersedes all prior oral negotiations concerning its matter, *Pitco Prod. Co. v. Chaparral Energy, Inc*., 2003 OK 5, ¶ 14, 63 P.3d 541, 546; and

(2) all prior communications are assumed to be part of the written agreement, *Ollie v. Rainbolt,* 1983 OK 79, ¶12, 669 P.2d 275, 279 (citing 15 O.S. § 137).

*Id.* In response, noted the Court, CSAA claimed that one of its arguments in *Accident Care I* was actually a holding of the COCA in that case:

CSAA answered that under *Accident Care I,* the Court of Civil Appeals ‘in reversing and remanding, reasoned and held in pertinent parts:’ gave CSAA the right to challenge the correctness of the debt because of the extrinsic evidence showing communications [\*\*14] between Hamilton and CSAA and also simply by the act of Hamilton signing the release she assigned to CSAA her right to contest the amount owed under the liens.

*Id.* at ¶ 15. Again, the Court noted ‘The Court of Civil Appeals did not so hold.” *Id.* Instead, that court was “simply stating CSAA’s argument on appeal.” *Id.* CSAA also argued for an extension of *Accident Care I* to hold “the alleged assignment does not have to be clearly written into the release in order to be valid.” *Id.*

Finally the Court issued its opinion, starting with an analysis of the Parol Evidence Rule as set out in 12 O.S. 2011 § 137:

The execution of a contract in writing, whether the law requires it to be written or not, supersedes all the oral negotiations or stipulations concerning its matter, which preceded or accompanied the execution of the instrument.

*Id.* at ¶ 18. The rule was applied to settlement agreements in *Beck v. Reynolds,* 1995 OK 83, ¶ 8, 903 P.2d 317, 319: “Oral evidence was not permitted in *Beck* to establish a previous contradictory oral agreement.” *Accident Care & Treatment Ctr., Inc.,* 2023 OK 105, ¶ 18.

The Court then applied the rule of *contra proferentem.* “Contract terms are construed most strongly against the drafter.” *Id.* at ¶ 19 (citing *McMinn v. City of Oklahoma City,* 1997 OK 154, ¶¶ 13-15, 952 P.2d 517, 522). The rule was created because it would be illogical to permit the drafter of a contract to benefit from any ambiguity in the contract. *Id.*

The Court then intimated that it would be even more unfair to permit the drafter of a contract to claim the benefit of ambiguity in a dispute with a third-party stranger to the contract. *Id.* at ¶ 20. The Court noted then how carefully CSAA was to include a detailed indemnification clause binding Hamilton to indemnify CSAA in the event that Providers should sue CSAA. In addition to the above, CSAA settled the claim without notice to Providers while knowing that their liens were not being satisfied. *Id.* Despite that knowledge, and despite its care in drafting the indemnification clause, CSAA did not include an express assignment. *Id.* The release was clear and unambiguous—and did not contain an assignment. *Id.*

The Court then noted that even if there were ambiguity, that would be interpreted most strictly against CSAA. *Id.*

The above was supported also by the fact that CSAA included the “no promise or inducement” clause. *Id.* at ¶ 21. The claimed assignment “contradicts this provision of the executed settlement release.” *Id.* The contract was complete and unambiguous such that the “written words of the document are the only legitimate evidence of the parties’ intention.” *Id.* (applying the Parol Evidence Rule).

The Court then recites the language of the medical lien statute and noted that Providers complied with the statute, as admitted by CSAA and as shown by their compliance with the terms of the statute; they filed the liens, gave notice of the liens, and timely filed their action after the underlying MVA claim was settled. *Id.* at ¶ 22.

The Court notes the purpose of the lien statute to encourage medical providers to treat injury victims who otherwise lack the ability to pay for services. *Id.* at ¶ 23. The Court then characterized CSAA’s “concern regarding the reasonableness of [the] charges” as an attempt “to thwart the protected interests of those who rendered care to Hamilton.” *Id.* Absent a valid assignment, though, “CSAA has no legal standing to raise this argument as a defense to the claims.” *Id.*

The matter was remanded to the trial court for proceedings consistent with the opinion. *Id.* at ¶ 25.

1. Accident Care and Treatment Center, Inc., Southwest Regional Imaging and Radiology, L.L.C., Injury Recovery Physical Therapy, L.L.C., and Interventional Radiology Associates, L.L.C. [↑](#footnote-ref-1)