

MICHIGAN SUPREME COURT

Department of Health and Human Services v. NRK RX, Inc.

No. 167917 (Mich. June 8, 2026) · No. 167917 · Decided June 8, 2026

SUMMARY

The Michigan Supreme Court considered which venue provisions govern a multicount civil action brought by the Department of Health and Human Services alleging, among other claims, conversion of Medicaid overpayments. The Court held that MCL 600.1641(2) requires application of the tort venue statute, MCL 600.1629, and that the original injury occurred in Ingham County, where DHHS was deprived of possession and control of the funds. The Court affirmed in part, reversed in part, and remanded for transfer from Oakland County to Ingham County.

CASE DETAILS

COURT	Michigan Supreme Court
WRITING FOR THE COURT	Megan K. Cavanagh, C.J.; Brian K. Zahra, J. (as to Part III(A)); Richard H. Bernstein, J.; Elizabeth M. Welch, J. (as to Part III(B)); Kyra H. Bolden, J.; Kimberly A. Thomas, J. (as to Part III(A))
JURISDICTION	Michigan Supreme Court
DECIDED	June 8, 2026
DOCKET	167917
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Interlocutory appeal concerning a motion to change venue in a five-count civil action brought by the Michigan Department of Health and Human Services, through the Attorney General, to enforce a Medicaid overpayment order and pursue conversion, breach-of-contract, and unjust-enrichment claims.
STANDARD OF REVIEW	A trial court's ruling on a motion to change venue is reviewed for clear error; questions of statutory interpretation are reviewed de novo.
PRECEDENTIAL VALUE	Published and precedential Michigan Supreme Court opinion
PARTIES	Department of Health and Human Services v. NRK RX, Inc., Raad Kouza

TOPICS

venue

statutory interpretation

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether MCL 600.1641(2) requires venue in a multicount action containing at least one tort claim to be determined under MCL 600.1629 rather than the Attorney General venue provisions in MCL 14.102 and MCL 600.1631(a).
2. If MCL 600.1629 controls, where the original injury occurred for purposes of determining venue.
3. Whether venue was proper in Ingham County or Oakland County under MCL 600.1629(1).

HOLDINGS

1. When more than one cause of action is pleaded and at least one cause of action is based on tort or another legal theory seeking damages for personal injury, property damage, or wrongful death, MCL 600.1641(2)'s mandatory language requires venue to be determined under MCL 600.1629, displacing the otherwise permissive Attorney General venue provisions in MCL 14.102 and MCL 600.1631(a).
2. The original injury occurred in Ingham County, where DHHS suffered its first actual injury from the alleged conversion—loss of possession and control over the electronic Medicaid funds—and where DHHS resides, has a place of business, or conducts business. Venue was therefore proper in Ingham County under MCL 600.1629(1)(b)(i).

KEY QUOTATIONS

“In this interlocutory appeal, we consider the proper venue for a civil action brought by the Attorney General on behalf of a state agency when the underlying complaint pleads multiple causes of action, including at least one tort.” (5)

“Therefore, under this well-accepted rule of statutory construction, MCL 600.1641(2) is a mandatory provision that demands the application of MCL 600.1629 over the permissive AG venue statutes in this case.” (12)

“We observed that this amendment “changed the law of venue in tort cases and considerably limited the county in which a cause of action can be brought.”” (20)

“But the injury stemming from defendants’ alleged conversion was DHHS’s lack of possession and its concomitant inability to exercise control or dominion over the intangible electronic funds in question.” (24)

FACTUAL BACKGROUND

NRK RX operated a pharmacy enrolled in Michigan's Medicaid program and billed DHHS for medications purchased for Medicaid beneficiaries. After auditing NRK's claims, DHHS concluded that NRK had billed for more drugs than its wholesaler records supported and issued a final order seeking repayment of \$541,590.71. After administrative and judicial challenges to that order were unsuccessful, DHHS filed a five-count action

alleging, among other things, common-law and statutory conversion based on defendants' failure to repay the overpayment.

PROCEDURAL HISTORY

DHHS filed the action in the Ingham Circuit Court. The trial court transferred the case to the Oakland Circuit Court, concluding that Oakland County was the situs of the original injury. The Court of Appeals affirmed. The Michigan Supreme Court granted DHHS's application for leave to appeal, affirmed in part and reversed in part, and remanded for transfer of venue from Oakland County to Ingham County.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand to the Oakland Circuit Court for entry of an order changing venue to the Ingham Circuit Court. The Supreme Court did not retain jurisdiction.

CASES CITED

- Dimmitt & Owens Financial, Inc. v. Deloitte & Touche (ISC), LLC, 481 Mich. 618, 624-631; 752 N.W.2d 37 (2008)
- Massey v. Mandell, 462 Mich. 375, 379, 382 n. 5, 389-390; 614 N.W.2d 70 (2000)
- Massey v. Mandell, 462 Mich. 375, 379; 614 N.W.2d 70 (2000)
- People v. Arnold, 502 Mich. 438, 466; 918 N.W.2d 164 (2018)
- Browder v. International Fidelity Insurance Co., 413 Mich. 603, 612; 321 N.W.2d 668 (1982)
- Smith v. School District No. 6, 241 Mich. 366, 369; 217 N.W. 15 (1928)
- Paige v. Sterling Heights, 476 Mich. 495, 507-508; 720 N.W.2d 219 (2006)
- SBC Health Midwest, Inc. v. Kentwood, 500 Mich. 65, 72; 894 N.W.2d 535 (2017)
- State Farm Fire & Casualty Co. v. Old Republic Insurance Co., 466 Mich. 142, 146; 644 N.W.2d 715 (2002)
- People v. Posey, 512 Mich. 317, 350; 1 N.W.3d 101 (2023)
- South Dearborn Environmental Improvement Ass'n v. Department of Environmental Quality, 502 Mich. 349, 361, 374; 917 N.W.2d 603 (2018)
- Farrington v. Total Petroleum, Inc., 442 Mich. 201, 210; 501 N.W.2d 76 (1993)
- Arends v. Grand Rapids Railway Co., 172 Mich. 448, 450-451; 138 N.W. 195 (1912)
- Milne v. Robinson, 513 Mich. 1, 12, 15 n. 14, 16-17; 6 N.W.3d 40 (2024)
- Radzanower v. Touche Ross & Co., 426 U.S. 148, 159; 96 S. Ct. 1989; 48 L. Ed. 2d 48 (1976)
- People v. Harris, 499 Mich. 332, 356; 885 N.W.2d 832 (2016)
- Gross v. General Motors Corp., 448 Mich. 147, 156, 164-165; 528 N.W.2d 707 (1995)
- Lorencz v. Ford Motor Co., 439 Mich. 370, 377; 483 N.W.2d 844 (1992)

- *Aroma Wines & Equipment, Inc. v. Columbian Distribution Services, Inc.*, 497 Mich. 337, 346, 348, 351-357; 871 N.W.2d 136 (2015)
- *Garras v. Bekiares*, 315 Mich. 141, 147, 149; 23 N.W.2d 239 (1946)
- *Food Town Drugs v. Department of Health & Human Services*, unpublished per curiam opinion of the Michigan Court of Appeals, issued August 11, 2022 (Docket No. 356651)

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