STATE OF MICHIGAN

COURT OF CLAIMS

PHARMACORR, LLC,

Plaintiff,

v

Case No. 24-000147-MK

MICHIGAN DEPARTMENT OF CORRECTIONS,

Hon. Brock A. Swartzle

Defendant.
_____ /

OPINION AND ORDER GRANTING DEFENDANT'S MOTION FOR SUMMARY DISPOSITION

Plaintiff, Pharmacorr, LLC, sued the Michigan Department of Corrections (MDOC) for unjust enrichment, requesting approximately $2.7 million for pharmaceuticals that it provided to MDOC under Pharmacorr's contract with Grand Prairie Healthcare Services (GPHS). On June 20, 2025, MDOC moved for summary disposition under MCR 2.116(C)(8) and (10). Because the MDOC has presented uncontested documentary evidence that Pharmacorr is not the real party in interest, the Court GRANTS MDOC's motion for summary disposition under MCR 2.116(C)(10) on this ground alone and does not consider MDOC's additional arguments in support of its motion.

I. BACKGROUND

MDOC provides health care, mental health care, and pharmacy services for prisoners in the custody of MDOC. The Department of Technology, Management, and Budget (DTMB) contracted with GPHS to provide these services. Under the contract, GPHS was permitted to

subcontract its services to third parties but, if it did so, the contract made GPHS "responsible for all fees and expenses payable to, by or on behalf of each Permitted Subcontractor in connection with this Contract." The contract required that GPHS (1) be the sole point of contact regarding all contractual matters, including payment and charges for all contract activities; (2) make all payments to the subcontractor; and (3) incorporate the terms and conditions contained in the contract in any subcontract with a subcontractor. The contract required the state to pay a "per prisoner month fee" to GPHS for pharmaceuticals, staffing, dispensing, and other pharmaceutical services.

In August 2023 GPHS contracted with Pharmacorr to serve as its pharmaceutical provider for the contract with MDOC and DTMB. According to the complaint, between August 2023 through May 1, 2024, Pharmacorr supplied millions of dollars of pharmaceuticals to MDOC-operated correctional facilities for which it has not been paid. The complaint alleges that "GPHS failed to honor its obligations to Pharmacorr," and that "GPHS owes Pharmacorr the sum of $2,786,877.81." Pharmacorr filed this lawsuit against MDOC, claiming that MDOC has been unjustly enriched and requesting that the Court order MDOC to pay it approximately $2.7 million.

According to Pharmacorr's complaint, at the time of filing this lawsuit it had a pending related breach-of-contract suit against GPHS in the Eastern District of Michigan alleging that GPHS owed Pharmacorr "around $2.7 million in damages for failing to make payments under the contract." *Pharmacorr, LLC v Grand Prairie Healthcare Services*, federal district court case no. 2:24-cv-11324. MDOC has presented evidence that the federal district court case was subject to

a bankruptcy stay pending Wellpath, LLC's[1] Chapter 11 bankruptcy filings. MDOC has also presented evidence that on December 9, 2024, Pharmacorr filed a scheduled unsecured claim in the bankruptcy case and that on March 28, 2025, Pharmacorr assigned its claim and "unconditionally and irrevocably [sold], transfer[red], and assign[ed] to TRC Masterfund, LLC," all of its "rights, title, interest, claims and causes of action in and to, or arising under or in connection with the claim" "for good and valuable consideration." The Court takes judicial notice that on July 28, 2025, the federal district court entered an order granting Pharmacorr's motion for voluntary dismissal without prejudice. https://ecf.mied.uscourts.gov/doc1/097114371016 (accessed October 15, 2025).

II. ANALYSIS

MDOC moved for summary disposition under MCR 2.116(C)(8) and (10) on June 20, 2025. Pharmacorr's response was due on 7, 2025. Pharmacorr did not respond to MDOC's motion and, therefore, the Court treats the motion as uncontested. Court of Claims LCR 2.119(C)(3). Motions for summary disposition based on a real-party-in-interest defense are reviewed under MCR 2.116(C)(8) or (10). *Cannon Twp v Rockford Pub Sch*, 311 Mich App 403, 411; 875 NW2d 242 (2015). Because the Court has considered evidence beyond the pleadings, the Court will decide the motion under MCR 2.116(C)(10). A motion under MCR 2.116(C)(10) tests the factual sufficiency of a claim. *El-Khalil v Oakwood Healthcare, Inc*, 504 Mich 152, 160; 934 NW2d 665 (2019). The Court considers all evidence submitted by the parties in the light most favorable to

[1] Wellpath acted as the management services organization for GPHS. https://wellpathcare.com/2021/10/01/grand-prairie-healthcare-services-in-coordination-with-wellpath-to-partner-as-the-new-healthcare-provider-for-the-michigan-department-of-corrections/ (accessed October 15, 2025).

the party opposing the motion. A motion under MCR 2.116(C)(10) may only be granted when there is no genuine issue of material fact. *Id.*

Pharmacorr's complaint alleges that MDOC should pay approximately $2.7 million to Pharmacorr because GPHS did not pay Pharmacorr for its pharmaceutical services. MDOC argues that Pharmacorr is not the real party in interest because Pharmacorr assigned its claim for consideration in the bankruptcy proceeding and no longer owns the debt that it is seeking to recover.

"An action must be prosecuted in the name of the real party in interest." MCL 600.2041; MCR 2.201(B). "A real party in interest is the one who is vested with the right of action on a given claim, although the beneficial interest may be in another." *Cannon Twp*, 311 Mich App at 412 (citation omitted). This doctrine "recognizes that litigation should be begun only by a party having an interest that will assure sincere and vigorous advocacy . . . [and] protects a defendant from multiple lawsuits for the same cause of action." *Id*. (citation omitted). Michigan courts "have long recognized that a plaintiff who assigns a claim cannot then bring suit to collect on that claim as that plaintiff is no longer the real party in interest." *C-Spine Orthopedics, PLLC v Progressive Michigan Ins Co*, ___ Mich ___, ___; ___ NW3d ___ (2025) (Docket Nos. 165537, 165538, 165964); slip op at 15 (citations omitted). "[F]ailure to bring suit in the name of the real party in interest is a ground for dismissal." *Id*. at 22.

The undisputed evidence before the Court shows that Pharmacorr assigned its rights, title, interest, and causes of action to TRC Masterfund during Wellpath's bankruptcy proceeding. Because Pharmacorr has presented no evidence to dispute MDOC's evidence that Pharmacorr is

no longer the real party in interest, the Court GRANTS MDOC's uncontested motion for summary disposition under MCR 2.116(C)(10) and DISMISSES this lawsuit on this ground.

IT IS SO ORDERED. This is a final order that disposes of the last remaining claim and closes the case.

Date: 10/30/2025

Hon. Brock A. Swartzle
Chief Judge, Court of Claims