HOUSE BILL NO. 4884


A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3157a (MCL 500.3157a), as added by 2019 PA 21.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 3157a. (1) By rendering any treatment, products, services, or accommodations to 1 or more injured persons for an accidental bodily injury covered by personal protection insurance under this chapter after July 1, 2020, a physician, hospital, clinic, or other person is considered to have agreed to do both of the following:
(a) Submit necessary records and other information concerning
treatment, products, services, or accommodations provided for
utilization review under this section.

(b) Comply with any decision of the department if a provider
elects to pursue an appeal under this section.

(2) A physician, hospital, clinic, or other person or
institution that knowingly submits under this section false or
misleading records or other information to an insurer, the
association created under section 3104, or the department commits a
fraudulent insurance act under section 4503.

(3) The department shall promulgate rules under the
administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
24.328, to do both of the following:

(a) Establish criteria or standards for utilization review
that identify utilization of treatment, products, services, or
accommodations under this chapter above the usual range of
utilization for the treatment, products, services, or
accommodations based on medically generally accepted standards.

(b) Provide procedures related to utilization review,
including procedures for all of the following:

(i) Acquiring necessary records, medical bills, and other
information concerning the treatment, products, services, or
accommodations provided.

(ii) Allowing an insurer to request an explanation for and
requiring a physician, hospital, clinic, or other person to explain
the necessity or indication for treatment, products, services, or
accommodations provided.

(iii) Appealing determinations.

(4) If a physician, hospital, clinic, or other person provides
treatment, products, services, or accommodations under this chapter that are not usually associated with, are longer in duration than, are more frequent than, or extend over a greater number of days than the treatment, products, services, or accommodations usually require for the diagnosis or condition for which the patient is being treated based on generally accepted standards, the insurer or the association created under section 3104 may require the physician, hospital, clinic, or other person to explain the necessity or indication for the treatment, products, services, or accommodations in writing under the procedures provided under subsection (3).

(5) If an insurer or the association created under section 3104 determines that a physician, hospital, clinic, or other person overutilized or otherwise rendered or ordered inappropriate treatment, products, services, or accommodations that were not reasonably necessary under section 3107, or that the cost of the treatment, products, services, or accommodations was inappropriate not reasonable under section 3107 or otherwise in accordance with this chapter, the physician, hospital, clinic, or other person may appeal the determination to the department under the procedures provided under subsection (3) not later than 1 year after the physician, hospital, clinic, or other person received payment from the insurer or the association created under section 3104. If a physician, hospital, clinic, or other person appeals the determination under this subsection, the insurer or the association created under section 3104 must provide the department and the physician, hospital, clinic, or other person the methodology used to determine the payment or reimbursement made by the insurer or association created under section 3104. The methodology provided
under this subsection must provide any adjustment made to the
amount payable to the provider under Medicare on a form approved by
the director.

(6) As used in this section: "utilization
(a) "Generally accepted standards" means standards or
guidelines that are generally relied on by medical professionals or
others rendering treatment to an injured person, including
generally accepted practice guidelines, evidence-based practice
guidelines, or any other guidelines developed by the federal
government or national or professional medical academics,
associations, boards, or societies. Generally accepted standards do
not include any set of standards or guidelines developed by
private, for-profit corporations for commercial gain.
(b) "Utilization review" means the initial evaluation by an
insurer or the association created under section 3104 of the
appropriateness in terms of both the level and the quality of
treatment, products, services, or accommodations provided under
this chapter based on medically generally accepted standards.