

SENATE BILL No. 888

April 14, 2016, Introduced by Senators NOFS and SCHMIDT and referred to the Committee on Insurance.

A bill to amend 1969 PA 317, entitled "Worker's disability compensation act of 1969," by amending section 315 (MCL 418.315), as amended by 2014 PA 264.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 315. (1) The employer shall furnish, or cause to be
2 furnished, to an employee who receives a personal injury arising
3 out of and in the course of employment, reasonable medical,
4 surgical, and hospital services and medicines, or other attendance
5 or treatment recognized by the laws of this state as legal, when
6 they are needed. However, an employer is not required to reimburse
7 or cause to be reimbursed charges for an optometric service unless
8 that service was included in the definition of practice of
9 optometry under section 17401 of the public health code, 1978 PA
10 368, MCL 333.17401, as of May 20, 1992. ~~or for a chiropractic~~

1 ~~service unless that service was included in the definition of~~
2 ~~practice of chiropractic under section 16401 of the public health~~
3 ~~code, 1978 PA 368, MCL 333.16401, as of January 1, 2009.~~ An
4 employer is not required to reimburse or cause to be reimbursed
5 charges for services performed by a profession that was not
6 licensed or registered by the laws of this state on or before
7 January 1, 1998, but that becomes licensed, registered, or
8 otherwise recognized by the laws of this state after January 1,
9 1998. An employer is not required to reimburse or cause to be
10 reimbursed charges for a physical therapy service unless that
11 service was provided by a licensed physical therapist or physical
12 therapist assistant under the supervision of a licensed physical
13 therapist pursuant to a prescription from a health care
14 professional who holds a license issued under part 166, 170, 175,
15 or 180 of the public health code, 1978 PA 368, MCL 333.16601 to
16 333.16648, 333.17001 to 333.17084, 333.17501 to 333.17556, and
17 333.18001 to 333.18058, or the equivalent license issued by another
18 state. Attendant or nursing care shall not be ordered in excess of
19 56 hours per week if the care is to be provided by the employee's
20 spouse, brother, sister, child, parent, or any combination of these
21 persons. After 28 days from the inception of medical care as
22 provided in this section, the employee may treat with a physician
23 of his or her own choice by giving to the employer the name of the
24 physician and his or her intention to treat with the physician. The
25 employer or the employer's carrier may file a petition objecting to
26 the named physician selected by the employee and setting forth
27 reasons for the objection. If the employer or carrier can show

1 cause why the employee should not continue treatment with the named
2 physician of the employee's choice, after notice to all parties and
3 a prompt hearing by a worker's compensation magistrate, the
4 worker's compensation magistrate may order that the employee
5 discontinue treatment with the named physician or pay for the
6 treatment received from the physician from the date the order is
7 mailed. The employer shall also supply to the injured employee
8 dental service, crutches, artificial limbs, eyes, teeth,
9 eyeglasses, hearing apparatus, and other appliances necessary to
10 cure, so far as reasonably possible, and relieve from the effects
11 of the injury. If the employer fails, neglects, or refuses so to
12 do, the employee shall be reimbursed for the reasonable expense
13 paid by the employee, or payment may be made in behalf of the
14 employee to persons to whom the unpaid expenses may be owing, by
15 order of the worker's compensation magistrate. The worker's
16 compensation magistrate may prorate attorney fees at the contingent
17 fee rate paid by the employee.

18 (2) Except as otherwise provided in subsection (1), all fees
19 and other charges for any treatment or attendance, service,
20 devices, apparatus, or medicine under subsection (1), are subject
21 to rules promulgated by the workers' compensation agency pursuant
22 to the administrative procedures act of 1969, 1969 PA 306, MCL
23 24.201 to 24.328. The rules promulgated shall establish schedules
24 of maximum charges for the treatment or attendance, service,
25 devices, apparatus, or medicine, which schedule shall be annually
26 revised. A health facility or health care provider shall be paid
27 either its usual and customary charge for the treatment or

1 attendance, service, devices, apparatus, or medicine, or the
2 maximum charge established under the rules, whichever is less.

3 (3) The director of the workers' compensation agency shall
4 provide for an advisory committee to aid and assist in establishing
5 the schedules of maximum charges under subsection (2) for charges
6 or fees that are payable under this section. The advisory committee
7 shall be appointed by and serve at the pleasure of the director.

8 (4) If a carrier determines that a health facility or health
9 care provider has made any excessive charges or required
10 unjustified treatment, hospitalization, or visits, the health
11 facility or health care provider shall not receive payment under
12 this chapter from the carrier for the excessive fees or unjustified
13 treatment, hospitalization, or visits, and is liable to return to
14 the carrier the fees or charges already collected. The workers'
15 compensation agency may review the records and medical bills of a
16 health facility or health care provider determined by a carrier to
17 not be in compliance with the schedule of charges or to be
18 requiring unjustified treatment, hospitalization, or office visits.

19 (5) As used in this section, "utilization review" means the
20 initial evaluation by a carrier of the appropriateness in terms of
21 both the level and the quality of health care and health services
22 provided an injured employee, based on medically accepted
23 standards. A utilization review shall be accomplished by a carrier
24 pursuant to a system established by the workers' compensation
25 agency that identifies the utilization of health care and health
26 services above the usual range of utilization for the health care
27 and health services based on medically accepted standards and

1 provides for acquiring necessary records, medical bills, and other
2 information concerning the health care or health services.

3 (6) By accepting payment under this chapter, a health facility
4 or health care provider is considered to have agreed to submit
5 necessary records and other information concerning health care or
6 health services provided for utilization review pursuant to this
7 section. The health facilities and health care providers are
8 considered to have agreed to comply with any decision of the
9 workers' compensation agency pursuant to subsection (7). A health
10 facility or health care provider that submits false or misleading
11 records or other information to a carrier or the workers'
12 compensation agency is guilty of a misdemeanor punishable by a fine
13 of not more than \$1,000.00 or by imprisonment for not more than 1
14 year, or both.

15 (7) If a carrier determines that a health facility or health
16 care provider improperly overutilized or otherwise rendered or
17 ordered inappropriate health care or health services, or that the
18 cost of the health care or health services was inappropriate, the
19 health facility or health care provider may appeal the
20 determination to the workers' compensation agency pursuant to
21 procedures provided for under the system of utilization review.

22 (8) The workers' compensation agency shall establish criteria
23 or standards for utilization review by rule. A carrier that
24 complies with the criteria or standards as determined by the
25 workers' compensation agency shall be certified by the department.

26 (9) If a health facility or health care provider provides
27 health care or a health service that is not usually associated

1 with, is longer in duration in time than, is more frequent than, or
2 extends over a greater number of days than that health care or
3 service usually requires for the diagnosis or condition for which
4 the patient is being treated, the carrier may require the health
5 facility or health care provider to explain the necessity or
6 indication for that care or service in writing.

7 Enacting section 1. This amendatory act takes effect 90 days
8 after the date it is enacted into law.