

HOUSE BILL NO. 6280

June 23, 2022, Introduced by Rep. Filler and referred to the Committee on Government Operations.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 3142 and 3157a (MCL 500.3142 and 500.3157a), section 3142 as amended and section 3157a as added by 2019 PA 21, and by adding section 3155.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3142. (1) Personal protection insurance benefits are
2 payable as loss accrues.

3 (2) Subject to subsection (3), personal protection insurance
4 benefits are overdue if not paid within 30 days after an insurer
5 receives reasonable proof of the fact and of the amount of loss

1 sustained. Subject to subsection (3), if reasonable proof is not
2 supplied as to the entire claim, ~~the amount~~ **any separable amount**
3 **that is** supported by reasonable proof is overdue if not paid within
4 30 days after the proof is received by the insurer. Subject to
5 subsection (3), any part of the remainder of the claim that is
6 later supported by reasonable proof is overdue if not paid within
7 30 days after the proof is received by the insurer. For the purpose
8 of calculating the extent to which benefits are overdue, payment
9 must be treated as made on the date a draft or other valid
10 instrument was placed in the United States mail in a properly
11 addressed, postpaid envelope, or, if not so posted, on the date of
12 delivery.

13 (3) For personal protection insurance benefits under section
14 3107(1) (a), if a bill for the product, service, accommodations, or
15 training is not provided to the insurer within 90 days after the
16 product, service, accommodations, or training is provided, the
17 insurer has 60 days in addition to **the** 30 days provided under
18 subsection (2) to pay before the benefits are overdue.

19 (4) **All of the following apply to proof of loss as required by**
20 **this section:**

21 (a) **Exact proof of the fact and the amount of loss sustained**
22 **is not required for proof of loss to be reasonable. Any definite**
23 **proof of the fact and the amount of the loss sustained is payable.**

24 (b) **Proof of loss does not have to be provided in or using a**
25 **form required by the insurer. Information provided in any format**
26 **that shows the fact and the amount of loss sustained is reasonable.**

27 (c) **For proof of loss payable under section 3107 that is**
28 **subject to a reimbursement limitation under section 3157 that**
29 **requires consideration of a charge description master or, if the**

1 provider did not have a charge description master at the relevant
2 time, the provider's average amount charged for the treatment or
3 training rendered, if the charge description master or average
4 amount is not provided with the proof of loss, within 15 days after
5 receiving the proof of loss the insurer shall request that the
6 charge description master or average amount be provided. If an
7 insurer does not make a request under this subdivision, the payment
8 is considered overdue.

9 (d) For proof of loss payable under section 3107 that is
10 subject to a reimbursement limitation under section 3157 that
11 requires consideration of an amount payable under Medicare,
12 providing a correct code for the treatment provided is not required
13 for the proof of loss to be reasonable.

14 (5) ~~(4) An~~ All of the following apply to an overdue payment
15 under this section:

16 (a) The payment bears simple interest at the rate of 12% per
17 annum.

18 (b) The insurer shall pay an additional amount equal to 5
19 times any amount that was supported by reasonable proof.

20 Sec. 3155. (1) Subject to subsection (2) and section
21 3107(1) (a), an insurer shall pay a reasonable amount for an
22 allowable expense under section 3107(1) (a). Products, services, and
23 accommodations that are allowable expenses under this subsection
24 include, but are not limited to, all of the following:

25 (a) Services related to guardianship or conservatorship.

26 (b) Vehicle modifications.

27 (c) Home modifications.

28 (d) Computer equipment and supplies.

29 (e) Generators.

1 (f) Nonemergency medical transportation.

2 (g) Nonprescription drugs and over-the-counter medical
3 supplies.

4 (h) Case management services that are not payable under
5 Medicare.

6 (2) Section 3157 provides reasonable amounts for allowable
7 expenses that are treatment, products, services, accommodations,
8 and rehabilitative occupational training that are provided by a
9 physician, hospital, clinic, other medical institution, or similar
10 person. Allowable expenses to which section 3157 applies include
11 attendant care.

12 Sec. 3157a. (1) By rendering any treatment, products,
13 services, or accommodations to 1 or more injured persons for an
14 accidental bodily injury covered by personal protection insurance
15 under this chapter after July 1, 2020, a physician, hospital,
16 clinic, or other person is considered to have agreed to do both of
17 the following:

18 (a) Submit necessary records and other information concerning
19 treatment, products, services, or accommodations provided for
20 utilization review under this section.

21 (b) Comply with any decision of the department under this
22 section.

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

28 (3) The department shall promulgate rules under the
29 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to

1 24.328, to do both of the following:

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

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

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

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

16 (iii) Appealing determinations.

17 (4) If a physician, hospital, clinic, or other person provides
18 treatment, products, services, or accommodations under this chapter
19 that are not usually associated with, are longer in duration than,
20 are more frequent than, or extend over a greater number of days
21 than the treatment, products, services, or accommodations usually
22 ~~require~~**required** for the diagnosis or condition for which the
23 patient is being treated, the insurer or the association created
24 under section 3104 may require the physician, hospital, clinic, or
25 other person to explain the necessity or indication for the
26 treatment, products, services, or accommodations in writing under
27 the procedures provided under subsection (3).

28 (5) If an insurer or the association created under section
29 3104 determines that a physician, hospital, clinic, or other person

1 overutilized or otherwise rendered or ordered inappropriate
2 treatment, products, services, or accommodations, or that the cost
3 of the treatment, products, services, or accommodations was
4 inappropriate under this chapter, the physician, hospital, clinic,
5 or other person may appeal the determination to the department
6 under the procedures provided under subsection (3).

7 **(6) It is not necessary that a person involved in a**
8 **utilization review or an appeal of a utilization review to the**
9 **department exhaust its administrative remedies before filing a**
10 **court action regarding the treatment, product, service, or**
11 **accommodations.**

12 **(7) ~~(6)~~—**As used in this section, "utilization review" means
13 the initial evaluation by an insurer or the association created
14 under section 3104 of the appropriateness in terms of both the
15 level and the quality of treatment, products, services, or
16 accommodations provided under this chapter based on medically
17 accepted standards.