



# HOUSE BILL No. 4555

March 8, 1995, Introduced by Reps. Gubow and Jamian and referred to the Committee on Health Policy.

A bill to amend section 315 of Act No. 317 of the Public Acts of 1969, entitled as amended "Worker's disability compensation act of 1969," as amended by Act No. 271 of the Public Acts of 1994, being section 418.315 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 315 of Act No. 317 of the Public Acts of  
2 1969, as amended by Act No. 271 of the Public Acts of 1994, being  
3 section 418.315 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 315. (1) The employer shall furnish, or cause to be  
6 furnished, to an employee who receives a personal injury arising  
7 out of and in the course of employment, reasonable medical,  
8 surgical, and hospital services and medicines, or other  
9 attendance or treatment recognized by the laws of this state as

1 legal, when they are needed. HOWEVER, AN EMPLOYER IS NOT  
2 REQUIRED TO REIMBURSE OR CAUSE TO BE REIMBURSED CHARGES FOR A  
3 CHIROPRACTIC SERVICE UNLESS THAT SERVICE WAS INCLUDED IN THE DEF-  
4 INITION OF PRACTICE OF CHIROPRACTIC UNDER SECTION 16401 OF THE  
5 PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC ACTS OF 1978, BEING  
6 SECTION 333.16401 OF THE MICHIGAN COMPILED LAWS, AS OF MAY 20,  
7 1992 OR FOR AN OPTOMETRIC SERVICE UNLESS THAT SERVICE WAS  
8 INCLUDED IN THE DEFINITION OF PRACTICE OF OPTOMETRY UNDER SECTION  
9 17401 OF ACT NO. 368 OF THE PUBLIC ACTS OF 1978, BEING SECTION  
10 333.17401 OF THE MICHIGAN COMPILED LAWS, AS OF MAY 20, 1992.  
11 Attendant or nursing care shall not be ordered in excess of 56  
12 hours per week if ~~such~~ THE care is to be provided by the  
13 employee's spouse, brother, sister, child, parent, or any combi-  
14 nation of these persons. After 10 days from the inception of  
15 medical care as ~~herein~~ provided IN THIS SECTION, the employee  
16 may treat with a physician of his or her own choice by giving to  
17 the employer the name of the physician and his or her intention  
18 to treat with the physician. The employer or the employer's car-  
19 rier may file a petition objecting to the named physician  
20 selected by the employee and setting forth reasons for the  
21 objection. If the employer or carrier can show cause why the  
22 employee should not continue treatment with the named physician  
23 of the employee's choice, after notice to all parties and a  
24 prompt hearing by a worker's compensation magistrate, the  
25 worker's compensation magistrate may order that the employee dis-  
26 continue treatment with the named physician or pay for the  
27 treatment received from the physician from the date the order is

1 mailed. The employer shall also supply to the injured employee  
2 dental service, crutches, artificial limbs, eyes, teeth, eye-  
3 glasses, hearing apparatus, and other appliances necessary to  
4 cure, so far as reasonably possible, and relieve from the effects  
5 of the injury. If the employer fails, neglects, or refuses so to  
6 do, the employee shall be reimbursed for the reasonable expense  
7 paid by the employee, or payment may be made in behalf of the  
8 employee to persons to whom the unpaid expenses may be owing, by  
9 order of the worker's compensation magistrate. The worker's com-  
10 pensation magistrate may prorate attorney fees at the contingent  
11 fee rate paid by the employee.

12 (2) ~~ALL~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1),  
13 ALL fees and other charges for any treatment or attendance, serv-  
14 ice, devices, apparatus, or medicine under subsection (1), ~~shall~~  
15 ~~be~~ ARE subject to rules promulgated by the bureau of worker's  
16 compensation pursuant to Act No. 306 of the Public Acts of 1969,  
17 ~~as amended,~~ being sections 24.201 to 24.328 of the Michigan  
18 Compiled Laws. The rules promulgated shall establish schedules  
19 of maximum charges for ~~such~~ THE treatment or attendance, serv-  
20 ice, devices, apparatus, or medicine, which schedule shall be  
21 annually revised. A health facility or health care provider  
22 shall be paid either its usual and customary charge for ~~any of~~  
23 ~~the above~~ THE TREATMENT OR ATTENDANCE, SERVICE, DEVICES, APPA-  
24 RATUS, OR MEDICINE, or the maximum charge established under the  
25 rules, whichever is less. ~~The rules under this subsection shall~~  
26 ~~be promulgated not later than March 31, 1983, and sent to the~~  
27 ~~respective labor committees of the legislature for review.~~

1 (3) The director of the bureau shall provide for an advisory  
2 committee to aid and assist in establishing the schedules of max-  
3 imum charges under subsection (2) for ~~any~~ charges or fees that  
4 are payable under this section. The advisory committee shall be  
5 appointed by and serve at the pleasure of the director.

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

18 (5) As used in this section, "utilization review" means the  
19 initial evaluation by a carrier of the appropriateness in terms  
20 of both the level and the quality of health care and health serv-  
21 ices provided an injured employee, based on medically accepted  
22 standards. ~~This~~ A UTILIZATION review shall be accomplished by  
23 a carrier pursuant to a system established by the bureau ~~which~~  
24 THAT identifies the utilization of health care and health serv-  
25 ices above the usual range of utilization for ~~such~~ THE HEALTH  
26 CARE AND HEALTH services based on medically accepted standards  
27 and provides for acquiring necessary records, medical bills, and

1 other information concerning ~~any~~ THE health care or health  
2 services.

3 (6) By accepting payment under this chapter,, a health facil-  
4 ity or health care provider shall be considered to have consented  
5 to submitting necessary records and other information concerning  
6 ~~any~~ health care or health services provided for utilization  
7 review pursuant to this section. ~~Such~~ THE health facilities  
8 and health care providers shall be considered to have agreed to  
9 comply with any decision of the bureau pursuant to subsection  
10 (7). ~~Any~~ A health facility or health care provider that sub-  
11 mits false or misleading records or other information to a car-  
12 rier or the bureau is guilty of a misdemeanor, punishable by a  
13 fine of not more than \$1,000.00, or by imprisonment for not more  
14 than 1 year, or both.

15 (7) If it is determined by a carrier that a health facility  
16 or health care provider improperly overutilized or otherwise  
17 rendered or ordered inappropriate health care or health services,  
18 or that the cost of the HEALTH care or HEALTH services was inap-  
19 propriate, the health facility or health care provider may appeal  
20 to the bureau regarding that determination pursuant to procedures  
21 provided for under the system of utilization review.

22 (8) The criteria or standards established for the utiliza-  
23 tion review shall be established by rules promulgated by the  
24 bureau. A carrier that complies with the criteria or standards  
25 as determined by the bureau shall be certified by the  
26 department.

1       (9) If a health facility or health care provider provides  
2 health care or a health service that is not usually associated  
3 with, is longer in duration in time than, is more frequent than,  
4 or extends over a greater number of days than that health care or  
5 service usually does with the diagnosis or condition for which  
6 the patient is being treated, the health facility or health care  
7 provider may be required by the carrier to explain the necessity  
8 or indication for the reasons why in writing.