

HOUSE BILL No. 5704

May 3, 1990, Introduced by Reps. Hoekman, DeLange, Jonker, Perry Bullard, Varga, Martin, Stacey and Gnodtke and referred to the Committee on Labor.

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. 103 of the Public Acts of 1985, 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. 103 of the Public Acts of 1985, 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. AN EMPLOYER OR CARRIER SHALL PAY A
2 PHARMACY BILL WITHIN 60 DAYS AFTER RECEIPT EXCEPT THAT AFTER THE
3 PHARMACY HAS RECEIVED NOTICE FROM THE EMPLOYER OR CARRIER OF A
4 DISPUTED CLAIM, THE PHARMACIST MAY CONTINUE TO DISPENSE PRESCRIP-
5 TIONS TO THE CLAIMANT AT HIS OR HER RISK. Attendant or nursing
6 care shall not be ordered in excess of 56 hours per week if such
7 care is to be provided by the employee's spouse, brother, sister,
8 child, parent, or any combination of these persons. After 10
9 days from the inception of medical care as herein provided, the
10 employee may treat with a physician of his or her own choice by
11 giving to the employer the name of the physician and his or her
12 intention to treat with the physician. The employer or the
13 employer's carrier may file a petition objecting to the named
14 physician selected by the employee and setting forth reasons for
15 the objection. If the employer or carrier can show cause why the
16 employee should not continue treatment with the named physician
17 of the employee's choice, after notice to all parties and a
18 prompt hearing by a hearing referee or worker's compensation mag-
19 istrate, as applicable, the hearing referee or worker's compensa-
20 tion magistrate, as applicable, may order that the employee dis-
21 continue treatment with the named physician or pay for the treat-
22 ment received from the physician from the date the order is
23 mailed. The employer shall also supply to the injured employee
24 dental service, crutches, artificial limbs, eyes, teeth, eye-
25 glasses, hearing apparatus, and other appliances necessary to
26 cure, so far as reasonably possible, and relieve from the effects
27 of the injury. If the employer fails, neglects, or refuses so to

1 do, the employee shall be reimbursed for the reasonable expense
2 paid by the employee, or payment may be made in behalf of the
3 employee to persons to whom the unpaid expenses may be owing, by
4 order of the hearing referee or worker's compensation magistrate,
5 as applicable. The hearing referee or worker's compensation mag-
6 istrate, as applicable, may prorate attorney fees at the contin-
7 gent fee rate paid by the employee.

8 (2) All fees and other charges for any treatment or
9 attendance, service, devices, apparatus, or medicine under sub-
10 section (1), shall be subject to rules promulgated by the depart-
11 ment of management and budget pursuant to THE ADMINISTRATIVE PRO-
12 CEDURES ACT OF 1969, Act No. 306 of the Public Acts of 1969, as
13 amended, being sections 24.201 to 24.328 of the Michigan Compiled
14 Laws. The rules promulgated shall establish schedules of maximum
15 charges for such treatment or attendance, service, devices, appa-
16 ratus, or medicine, which schedule shall be annually revised. A
17 health facility or health care provider shall be paid either its
18 usual and customary charge for any of the above, or the maximum
19 charge established under the rules, whichever is less. ~~The~~
20 ~~rules under this subsection shall be promulgated not later than~~
21 ~~March 31, 1983, and sent to the respective labor committees of~~
22 ~~the legislature for review.~~

23 (3) The director of the department of management and budget
24 shall provide for an advisory committee to aid and assist in
25 establishing the schedules of maximum charges under subsection
26 (2) for any charges or fees that are payable under this section.

1 The advisory committee shall be appointed by and serve at the
2 pleasure of the director.

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

15 (5) As used in this section, "utilization review" means the
16 initial evaluation by a carrier of the appropriateness in terms
17 of both the level and the quality of health care and health serv-
18 ices provided an injured employee, based on medically accepted
19 standards. This review shall be accomplished by a carrier pursu-
20 ant to a system established by the department of management and
21 budget which identifies the utilization of health care and health
22 services above the usual range of utilization for such services
23 based on medically accepted standards and provides for acquiring
24 necessary records, medical bills, and other information concern-
25 ing any health care or health services.

26 (6) By accepting payment under this chapter, a health
27 facility or health care provider shall be considered to have

1 consented to submitting necessary records and other information
2 concerning any health care or health services provided for utili-
3 zation review pursuant to this section. Such health facilities
4 and health care providers shall be considered to have agreed to
5 comply with any decision of the department of management and
6 budget pursuant to subsection (7). Any health facility or health
7 care provider that submits false or misleading records or other
8 information to a carrier or the department of management and
9 budget is guilty of a misdemeanor, punishable by a fine of not
10 more than \$1,000.00, or by imprisonment for not more than 1 year,
11 or both.

12 (7) If it is determined by a carrier that a health facility
13 or health care provider improperly overutilized or otherwise
14 rendered or ordered inappropriate health care or health services,
15 or that the cost of the care or services was inappropriate, the
16 health facility or health care provider may appeal to the depart-
17 ment of management and budget regarding that determination pursu-
18 ant to procedures provided for under the system of utilization
19 review.

20 (8) The criteria or standards established for the utiliza-
21 tion review shall be established by rules promulgated by the
22 department of management and budget. A carrier that complies
23 with the criteria or standards as determined by the department of
24 management and budget shall be certified by the department.

25 (9) If a health facility or health care provider provides
26 health care or a health service that is not usually associated
27 with, is longer in duration in time than, is more frequent than,

1 or extends over a greater number of days than that health care or
2 service usually does with the diagnosis or condition for which
3 the patient is being treated, the health facility or health care
4 provider may be required by the carrier to explain the necessity
5 or indication for the reasons why in writing.