

SENATE BILL No. 1171

March 21, 2000, Introduced by Senator BULLARD and referred to the Committee on Human Resources, Labor, Senior Citizens and Veterans Affairs.

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 1998
PA 447.

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, sur-
4 gical, 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 reim-
7 burse or cause to be reimbursed charges for an optometric service
8 unless that service was included in the definition of practice of
9 optometry under section 17401 of the public health code, 1978
10 PA 368, MCL 333.17401, as of May 20, 1992. An employer is not

1 required to reimburse or cause to be reimbursed charges for
2 services performed by a profession that was not licensed or reg-
3 istered by the laws of this state on or before January 1, 1998,
4 but that becomes licensed, registered, or otherwise recognized by
5 the laws of this state after January 1, 1998. Attendant or nurs-
6 ing care shall not be ordered in excess of 56 hours per week if
7 the care is to be provided by the employee's spouse, brother,
8 sister, child, parent, or any combination of these persons.
9 After 10 days from the inception of medical care as provided in
10 this section, the employee may treat with a physician of his or
11 her own choice by giving to the employer the name of the physi-
12 cian and his or her intention to treat with the physician. The
13 employer or the employer's carrier may file a petition objecting
14 to the named physician selected by the employee and setting forth
15 reasons for the objection. If the employer or carrier can show
16 cause why the employee should not continue treatment with the
17 named physician of the employee's choice, after notice to all
18 parties and a prompt hearing by a worker's compensation magis-
19 trate, the worker's compensation magistrate may order that the
20 employee discontinue treatment with the named physician or pay
21 for the treatment received from the physician from the date the
22 order is mailed. The employer shall also supply to the injured
23 employee dental service, crutches, artificial limbs, eyes, teeth,
24 eyeglasses, hearing apparatus, and other appliances necessary to
25 cure, so far as reasonably possible, and relieve from the effects
26 of the injury. If the employer fails, neglects, or refuses so to
27 do, the employee shall be reimbursed for the reasonable expense

1 paid by the employee, or payment may be made in behalf of the
2 employee to persons to whom the unpaid expenses may be owing, by
3 order of the worker's compensation magistrate. The worker's com-
4 pensation magistrate may prorate attorney fees at the contingent
5 fee rate paid by the employee.

6 (2) Except as otherwise provided in subsection (1), all fees
7 and other charges for any treatment or attendance, service,
8 devices, apparatus, or medicine under subsection (1), are subject
9 to rules promulgated by the bureau of worker's compensation pur-
10 suant to the administrative procedures act of 1969, 1969 PA 306,
11 MCL 24.201 to 24.328. The rules promulgated shall establish
12 schedules of maximum charges for the treatment or attendance,
13 service, devices, apparatus, or medicine, which schedule shall be
14 annually revised. A health facility or health care provider
15 shall be paid either its usual and customary charge for the
16 treatment or attendance, service, devices, apparatus, or medi-
17 cine, or the maximum charge established under the rules, which-
18 ever is less. AFTER A SURGICAL PROCEDURE, THE PHYSICIAN OR SUR-
19 GEON MAY IMPOSE CHARGES FOR PATIENT CARE AND TREATMENT BEGINNING
20 15 DAYS AFTER THE SURGICAL PROCEDURE.

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

26 (4) If a carrier determines that a health facility or health
27 care provider has made any excessive charges or required

1 unjustified treatment, hospitalization, or visits, the health
2 facility or health care provider shall not receive payment under
3 this chapter from the carrier for the excessive fees or unjusti-
4 fied treatment, hospitalization, or visits, and is liable to
5 return to the carrier the fees or charges already collected. The
6 bureau may review the records and medical bills of a health
7 facility or health care provider determined by a carrier to not
8 be in compliance with the schedule of charges or to be requiring
9 unjustified treatment, hospitalization, or office visits.

10 (5) As used in this section, "utilization review" means the
11 initial evaluation by a carrier of the appropriateness in terms
12 of both the level and the quality of health care and health serv-
13 ices provided an injured employee, based on medically accepted
14 standards. A utilization review shall be accomplished by a car-
15 rier pursuant to a system established by the bureau that identi-
16 fies the utilization of health care and health services above the
17 usual range of utilization for the health care and health serv-
18 ices based on medically accepted standards and provides for
19 acquiring necessary records, medical bills, and other information
20 concerning the health care or health services.

21 (6) By accepting payment under this chapter, a health facil-
22 ity or health care provider shall be considered to have consented
23 to submitting necessary records and other information concerning
24 health care or health services provided for utilization review
25 pursuant to this section. The health facilities and health care
26 providers shall be considered to have agreed to comply with any
27 decision of the bureau pursuant to subsection (7). A health

1 facility or health care provider that submits false or misleading
2 records or other information to a carrier or the bureau is guilty
3 of a misdemeanor, punishable by a fine of not more than
4 \$1,000.00, or by imprisonment for not more than 1 year, or both.

5 (7) If it is determined by a carrier that a health facility
6 or health care provider improperly overutilized or otherwise
7 rendered or ordered inappropriate health care or health services,
8 or that the cost of the health care or health services was inap-
9 propriate, the health facility or health care provider may appeal
10 to the bureau regarding that determination pursuant to procedures
11 provided for under the system of utilization review.

12 (8) The criteria or standards established for the utiliza-
13 tion review shall be established by rules promulgated by the
14 bureau. A carrier that complies with the criteria or standards
15 as determined by the bureau shall be certified by the
16 department.

17 (9) If a health facility or health care provider provides
18 health care or a health service that is not usually associated
19 with, is longer in duration in time than, is more frequent than,
20 or extends over a greater number of days than that health care or
21 service usually does with the diagnosis or condition for which
22 the patient is being treated, the health facility or health care
23 provider may be required by the carrier to explain the necessity
24 or indication for the reasons why in writing.