



# HOUSE BILL No. 5382

March 1 1994 Introduced by Reps McNutt Jamian Shugars Randall Bender Kukuk Hill and Bandstra and referred to the Committee on Public Health

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 MAY ELECT NOT TO  
2 REIMBURSE OR CAUSE TO BE REIMBURSED CHARGES FOR A PRACTICE OF  
3 CHIROPRACTIC SERVICE IF THAT SERVICE WAS INCLUDED IN THE DEFINI-  
4 TION 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, ON OR AFTER  
7 MAY 20, 1992 Attendant or nursing care shall not be ordered in  
8 excess of 56 hours per week if such care is to be provided by the  
9 employee's spouse, brother, sister, child, parent, or any combi-  
10 nation of these persons After 10 days from the inception of  
11 medical care as herein provided, the employee may treat with a  
12 physician of his or her own choice by giving to the employer the  
13 name of the physician and his or her intention to treat with the  
14 physician The employer or the employer's carrier may file a  
15 petition objecting to the named physician selected by the  
16 employee and setting forth reasons for the objection If the  
17 employer or carrier can show cause why the employee should not  
18 continue treatment with the named physician of the employee's  
19 choice, after notice to all parties and a prompt hearing by a  
20 ~~hearing referee or~~ worker's compensation magistrate, ~~as~~  
21 ~~applicable,~~ the ~~hearing referee or~~ worker's compensation mag-  
22 istrate ~~, as applicable,~~ may order that the employee discon-  
23 tinue treatment with the named physician or pay for the treatment  
24 received from the physician from the date the order is mailed  
25 The employer shall also supply to the injured employee dental  
26 service, crutches, artificial limbs, eyes, teeth, eyeglasses,  
27 hearing apparatus, and other appliances necessary to cure, so far

1 as reasonably possible, and relieve from the effects of the  
 2 injury If the employer fails, neglects, or refuses so to do,  
 3 the employee shall be reimbursed for the reasonable expense paid  
 4 by the employee, or payment may be made in behalf of the employee  
 5 to persons to whom the unpaid expenses may be owing, by order of  
 6 the ~~hearing referee or~~ worker's compensation magistrate ~~as~~  
 7 ~~applicable~~ The ~~hearing referee or~~ worker's compensation mag-  
 8 istrate ~~as applicable,~~ may prorate attorney fees at the con-  
 9 tingent fee rate paid by the employee

10 (2) ~~All~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1),  
 11 ALL fees and other charges for any treatment or attendance, serv-  
 12 ice, devices, apparatus, or medicine ~~under subsection (1),~~  
 13 shall be subject to rules promulgated by the department of  
 14 ~~management and budget~~ LABOR pursuant to THE ADMINISTRATIVE PRO-  
 15 CEDURES ACT OF 1969, Act No 306 of the Public Acts of 1969, as  
 16 amended, being sections 24 201 to 24 328 of the Michigan Compiled  
 17 Laws The rules promulgated shall establish schedules of maximum  
 18 charges for such treatment or attendance, service, devices, appa-  
 19 ratus or medicine which schedule shall be annually revised A  
 20 health facility or health care provider shall be paid either its  
 21 usual and customary charge for any of the above, or the maximum  
 22 charge established under the rules, whichever is less ~~The~~  
 23 ~~rules under this subsection shall be promulgated not later than~~  
 24 ~~March 31, 1983, and sent to the respective labor committees of~~  
 25 ~~the legislature for review~~

26 (3) The director of the department of ~~management and~~  
 27 ~~budget~~ LABOR shall provide for an advisory committee to aid and

1 assist in establishing the schedules of maximum charges under  
2 subsection (2) for any charges or fees that are payable under  
3 this section The advisory committee shall be appointed by and  
4 serve at the pleasure of the director

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

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

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

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

22       (8) The criteria or standards established for the utiliza-  
23 tion review shall be established by rules promulgated by the  
24 department of ~~management and budget~~ LABOR. A carrier that com-  
25 plies with the criteria or standards as determined by the depart-  
26 ment of ~~management and budget~~ LABOR shall be certified by the  
27 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