



# HOUSE BILL No. 5519

May 3 1994 Introduced by Reps Ciaramitaro Yokich Freeman Willard and Points  
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 Attendant or nursing care shall not  
2 be ordered in excess of 56 hours per week if such care is to be  
3 provided by the employee s spouse, brother, sister, child,  
4 parent, or any combination of these persons After 10 days from  
5 the inception of medical care as herein provided, the employee  
6 may treat with a physician of his or her own choice by giving to  
7 the employer the name of the physician and his or her intention  
8 to treat with the physician The employer or the employer's car-  
9 rier may file a petition objecting to the named physician  
10 selected by the employee and setting forth reasons for the  
11 objection If the employer or carrier can show cause why the  
12 employee should not continue treatment with the named physician  
13 of the employee s choice, after notice to all parties and a  
14 prompt hearing by a ~~hearing referee or~~ worker s compensation  
15 magistrate, ~~as applicable,~~ the ~~hearing referee or~~ worker s  
16 compensation magistrate ~~, as applicable,~~ may order that the  
17 employee discontinue treatment with the named physician or pay  
18 for the treatment received from the physician from the date the  
19 order is mailed THE EMPLOYER IF NECESSARY, SHALL SUPPLY TO AN  
20 EMPLOYEE A SPECIALLY EQUIPPED MOTOR VEHICLE OR MOTOR VEHICLE MOD-  
21 IFICATION ACCOMMODATIONS THAT ARE FUNCTIONALLY NECESSARY TO  
22 RELIEVE THE EFFECTS OF THE INJURY The employer shall also supply  
23 to the injured employee dental service, crutches, artificial  
24 limbs, eyes, teeth, eyeglasses, hearing apparatus, and other  
25 appliances necessary to cure, so far as reasonably possible, and  
26 relieve from the effects of the injury If the employer fails,  
27 neglects, or refuses so to do, the employee shall be reimbursed

1 for the reasonable expense paid by the employee or payment may  
2 be made in behalf of the employee to persons to whom the unpaid  
3 expenses may be owing, by order of the ~~hearing referee or~~  
4 worker's compensation magistrate ~~, as applicable~~ The  
5 ~~hearing referee or~~ worker's compensation magistrate ~~, as~~  
6 ~~applicable,~~ may prorate attorney fees at the contingent fee rate  
7 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  
11 department of ~~management and budget~~ LABOR pursuant to THE  
12 ADMINISTRATIVE PROCEDURES ACT OF 1969, Act No 306 of the Public  
13 Acts of 1969, as amended, being sections 24 201 to 24 328 of the  
14 Michigan Compiled Laws The rules promulgated shall establish  
15 schedules of maximum charges for such treatment or attendance,  
16 service, devices, apparatus, or medicine, which schedule shall be  
17 annually revised A health facility or health care provider  
18 shall be paid either its usual and customary charge for any of  
19 the above or the maximum charge established under the rules  
20 whichever is less ~~The rules under this subsection shall be~~  
21 ~~promulgated not later than March 31, 1983, and sent to the~~  
22 ~~respective labor committees of the legislature for review~~

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

1 this section The advisory committee shall be appointed by and  
2 serve at the 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~~ LABOR may  
11 review the records and medical bills of any health facility or  
12 health care provider determined by a carrier to not be in compli-  
13 ance 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~~ LABOR which identifies the utilization of health care and  
22 health services above the usual range of utilization for such  
23 services based on medically accepted standards and provides for  
24 acquiring necessary records, medical bills, and other information  
25 concerning 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~~ LABOR pursuant to subsection (7). Any health facility or  
7 health care provider that submits false or misleading records or  
8 other information to a carrier or the department of ~~management~~  
9 ~~and budget~~ LABOR is guilty of a misdemeanor, punishable by a  
10 fine of not more than \$1,000.00, or by imprisonment for not more  
11 than 1 year, 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~~ LABOR regarding that determina-  
18 tion pursuant to procedures provided for under the system of  
19 utilization 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~~ LABOR. A carrier that com-  
23 plies with the criteria or standards as determined by the depart-  
24 ment of ~~management and budget~~ LABOR shall be certified by the  
25 department.

26 (9) If a health facility or health care provider provides  
27 health care or a health service that is not usually associated

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