



SENATE BILL No. 479

March 9, 1993, Introduced by Senator SCHWARZ 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. 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 SERVICES OR A PRACTICE OF OPTOMETRIC SERVICES IF
4 THAT SERVICE WAS INCLUDED IN THE DEFINITION OF PRACTICE OF CHIRO-
5 PRACTIC UNDER SECTION 16401 OF THE PUBLIC HEALTH CODE, ACT
6 NO. 368 OF THE PUBLIC ACTS OF 1978, BEING SECTION 333.16401 OF
7 THE MICHIGAN COMPILED LAWS, OR IN THE DEFINITION OF PRACTICE OF
8 OPTOMETRY UNDER SECTION 17401 OF ACT NO. 368 OF THE PUBLIC ACTS
9 OF 1978, BEING SECTION 333.17401 OF THE MICHIGAN COMPILED LAWS,
10 ON OR AFTER MAY 20, 1992. Attendant or nursing care shall not be
11 ordered in excess of 56 hours per week if such care is to be pro-
12 vided by the employee's spouse, brother, sister, child, parent,
13 or any combination of these persons. After 10 days from the
14 inception of medical care as herein provided, the employee may
15 treat with a physician of his or her own choice by giving to the
16 employer the name of the physician and his or her intention to
17 treat with the physician. The employer or the employer's carrier
18 may file a petition objecting to the named physician selected by
19 the employee and setting forth reasons for the objection. If the
20 employer or carrier can show cause why the employee should not
21 continue treatment with the named physician of the employee's
22 choice, after notice to all parties and a prompt hearing by a
23 ~~hearing referee or~~ worker's compensation magistrate, ~~as~~
24 ~~applicable,~~ the ~~hearing referee or~~ worker's compensation mag-
25 istrate ~~, as applicable,~~ may order that the employee discon-
26 tinue treatment with the named physician or pay for the treatment
27 received from the physician from the date the order is mailed.

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

13 (2) ~~All~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1),
14 ALL fees and other charges for any treatment or attendance, serv-
15 ice, devices, apparatus, or medicine ~~under subsection (1),~~
16 shall be subject to rules promulgated by the department of
17 ~~management and budget~~ LABOR pursuant to THE ADMINISTRATIVE PRO-
18 CEDURES ACT OF 1969, Act No. 306 of the Public Acts of 1969, as
19 amended, being sections 24.201 to 24.328 of the Michigan Compiled
20 Laws. The rules promulgated shall establish schedules of maximum
21 charges for such treatment or attendance, service, devices, appa-
22 ratus, or medicine, which schedule shall be annually revised. A
23 health facility or health care provider shall be paid either its
24 usual and customary charge for any of the above, or the maximum
25 charge established under the rules, whichever is less. ~~The~~
26 ~~rules under this subsection shall be promulgated not later than~~

1 ~~March 31, 1983, and sent to the respective labor committees of~~
2 ~~the legislature for review.~~

3 (3) The director of the department of ~~management and~~
4 ~~budget~~ LABOR shall provide for an advisory committee to aid and
5 assist in establishing the schedules of maximum charges under
6 subsection (2) for any charges or fees that are payable under
7 this section. The advisory committee shall be appointed by and
8 serve at the pleasure of the director.

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

21 (5) As used in this section, "utilization review" means the
22 initial evaluation by a carrier of the appropriateness in terms
23 of both the level and the quality of health care and health serv-
24 ices provided an injured employee, based on medically accepted
25 standards. This review shall be accomplished by a carrier pursu-
26 ant to a system established by the department of ~~management and~~
27 ~~budget~~ LABOR which identifies the utilization of health care and

1 health services above the usual range of utilization for such
2 services based on medically accepted standards and provides for
3 acquiring necessary records, medical bills, and other information
4 concerning any health care or health services.

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

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

26 (8) The criteria or standards established for the
27 utilization review shall be established by rules promulgated by

1 the department of ~~management and budget~~ LABOR. A carrier that
2 complies with the criteria or standards as determined by the
3 department of ~~management and budget~~ LABOR shall be certified by
4 the department.

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