

# HOUSE BILL NO. 5498

October 28, 2021, Introduced by Reps. Rogers, Bezotte, Stone, Hood, Green, Hope, Howell, Hertel, Lasinski, Thanedar, O'Neal, Steckloff, Shannon, Brixie, LaGrand, Clemente, Cynthia Johnson, Brabec, Bolden, Morse, Ellison, Haadsma, Weiss, Kuppa, Breen, Sneller, Cavanagh, Puri, Scott, Rabhi, Liberati, Sowerby, Tyrone Carter, Manoogian, Yancey, Aiyash and Anthony and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 3157a (MCL 500.3157a), as added by 2019 PA 21.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3157a. (1) By rendering any treatment, products,  
2 services, or accommodations to 1 or more injured persons for an  
3 accidental bodily injury covered by personal protection insurance  
4 under this chapter after July 1, 2020, a physician, hospital,  
5 clinic, or other person is considered to have agreed to do both of

1 the following:

2 (a) Submit necessary records and other information concerning  
3 treatment, products, services, or accommodations provided for  
4 utilization review under this section.

5 (b) Comply with any decision of the department under this  
6 section.

7 (2) A physician, hospital, clinic, or other person or  
8 institution that knowingly submits under this section false or  
9 misleading records or other information to an insurer, the  
10 association created under section 3104, or the department commits a  
11 fraudulent insurance act under section 4503.

12 (3) The department shall promulgate rules under the  
13 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
14 24.328, to do both of the following:

15 (a) Establish criteria or standards for utilization review  
16 that identify utilization of treatment, products, services, or  
17 accommodations under this chapter above the usual range of  
18 utilization for the treatment, products, services, or  
19 accommodations based on medically accepted standards.

20 (b) Provide procedures related to utilization review,  
21 including procedures for all of the following:

22 (i) Acquiring necessary records, medical bills, and other  
23 information concerning the treatment, products, services, or  
24 accommodations provided.

25 (ii) Allowing an insurer to request an explanation for and  
26 requiring a physician, hospital, clinic, or other person to explain  
27 the necessity or indication for treatment, products, services, or  
28 accommodations provided.

29 (iii) Appealing determinations.

(4) If a physician, hospital, clinic, or other person provides treatment, products, services, or accommodations under this chapter that are not usually associated with, are longer in duration than, are more frequent than, or extend over a greater number of days than the treatment, products, services, or accommodations usually require for the diagnosis or condition for which the patient is being treated **based on medically accepted standards**, the insurer or the association created under section 3104 may require the physician, hospital, clinic, or other person to explain the necessity or indication for the treatment, products, services, or accommodations in writing under the procedures provided under subsection (3).

(5) If an insurer or the association created under section 3104 determines that a physician, hospital, clinic, or other person overutilized or otherwise rendered or ordered inappropriate treatment, products, services, or accommodations, or that the cost of the treatment, products, services, or accommodations was inappropriate under this chapter, the physician, hospital, clinic, or other person may appeal the determination to the department under the procedures provided under subsection (3).

(6) As used in this section: ~~"utilization~~

(a) **"Medically accepted standards" means standards or guidelines that are generally relied on by medical professionals in rendering medical treatment and developed by the federal government or national or professional medical academies, associations, boards, or societies. Medically accepted standards does not include any set of standards or guidelines developed by private, for-profit corporations for commercial gain.**

(b) **"Utilization review"** means the initial evaluation by an

1 insurer or the association created under section 3104 of the  
2 appropriateness in terms of both the level and the quality of  
3 treatment, products, services, or accommodations provided under  
4 this chapter based on medically accepted standards.