

**STATE OF MICHIGAN**  
**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**  
Before the Director of the Department of Insurance and Financial Services

In the matter of:

**Northern Michigan Sports Medicine Center**  
**Petitioner**

v

**File No. 21-1721**

**Farmers Insurance Exchange**  
**Respondent**

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**Issued and entered**  
**this 11<sup>th</sup> day of January 2022**  
**by Sarah Wohlford**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On November 9, 2021, Northern Michigan Sports Medicine Center (Petitioner) filed with the Department of Insurance and Financial Services (Department) a request for an appeal pursuant to Section 3157a of the Insurance Code of 1956 (Code), 1956 PA 218, MCL 500.3157a. The request for an appeal concerns the determination of Farmers Insurance Exchange (Respondent) that the Petitioner overutilized or otherwise rendered or ordered inappropriate treatment, products, services, or accommodations under Chapter 31 of the Code, MCL 500.3101 to MCL 500.3179.

The Petitioner's appeal is based on the denial of a bill for physical therapy pursuant to R 500.64(3), which allows a provider to appeal to the Department from the denial of a provider's bill. The Respondent issued the bill denial to the Petitioner on November 4, 2021. The Petitioner now seeks reimbursement in the full amount it billed for the date of service at issue.

The Department accepted the request for an appeal on November 22, 2021, and, pursuant to R 500.65, on that date notified the Respondent and the injured person of the Petitioner's request for an appeal. The Department provided the Respondent with a copy of the Petitioner's submitted documents. The Respondent did not file a timely reply to the Petitioner's appeal.

The Department assigned an independent review organization (IRO) to analyze issues requiring medical knowledge or expertise relevant to this appeal. The IRO submitted its report and recommendation to the Department on December 28, 2021.

## II. FACTUAL BACKGROUND

This appeal concerns the denial of payment for a September 20, 2021, physical therapy session. The patient had been injured in an automobile accident on May 26, 2021, and Farmers had provided coverage for physical therapy prior to September 20, 2021.

With its appeal request, the Petitioner submitted the records of the therapy sessions. In the appeal, the Petitioner stated that the injured person's doctor had approved the physical therapy plan which provided for therapy once or twice per week for four to eight weeks. The Petitioner stated that a progress note of October 11, 2021 showed that the injured person had only met 25% of his therapy goals.

In its denial of coverage, the Respondent stated that the September 20, 2021, therapy session exceeded Official Disability Guidelines (ODG).

## III. ANALYSIS

### Director's Review

Under MCL 500.3157a(5), a provider may appeal an insurer's determination that the provider overutilized or otherwise rendered inappropriate treatment, products, services, or accommodations, or that the cost of the treatment, products, services, or accommodations was inappropriate under Chapter 31 of the Code. This appeal involves a dispute regarding inappropriate treatment and overutilization.

The Director assigned an IRO to review the case file. In its report, the IRO reviewer concluded, based on the submitted documentation, that the physical therapy treatment provided to the injured person on September 20, 2021, was not medically necessary in accordance with medically accepted standards as defined by R 500.61(i) and were overutilized in frequency and duration in accordance with medically accepted standards as defined by R 500.61(i).

The IRO reviewer is a physician in active practice for more than 26 years who is board-certified in physical medicine and rehabilitation. The IRO reviewer wrote:

The most appropriate guidelines for the physical therapy treatments in question are the ACOEM, Milliman Care, and ODG guidelines....[T]he injured person had persistent symptomatology following a motor vehicle accident in May 2021 [and] started formal physical therapy on 6/3/21 for therapy diagnoses of neck pain and back pain....[T]he injured person did not have any documented impairments related to his injuries that would have precluded him from performing an appropriate independent exercise and modality program as of the time period under review....[T]his program could have included various self-directed stretching, strengthening, and core-building exercises as well as independent soft-tissue and palliative interventions such as massage using foam rollers or massage balls and topical treatments such as ice or heat....[T]here would have been no reasonable expectation of a clinically significant marginal difference in course or

outcomes with the formal physical therapy in questions over an appropriate independent program....[T]he physical therapy services administered in this case which occurred on an ongoing basis at a point that was many months after the incident trauma, were in excess of what would be considered appropriate in the medical literature or in the clinical practice guidelines which generally advise that these types of formal exercise and passive interventions be gradually tapered and transitioned towards fully independent programs.

Pursuant to the information set forth above and available documentation...the physical therapy treatments provided to the injured person on 9/20/21 were not medically necessary in accordance with medically accepted standards as defined by R 500.61 (i) and were overutilized in frequency or duration in accordance with medically accepted standards as defined by R 500.61 (i).

The IRO reviewer recommended that the Director uphold the Respondent's denial of coverage for the therapy provided to the injured person on September 20, 2021.


#### IV. ORDER

The Director upholds the Respondent's November 4, 2021, denial of coverage.

This order applies only to the treatment and dates of service discussed herein and may not be relied upon by either party to determine the injured person's eligibility for future treatment or as a basis for action on other treatment or dates of service not addressed in this order.

This is a final decision of an administrative agency. A person aggrieved by this order may seek judicial review in a manner provided under Chapter 6 of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.301 to 24.306. MCL 500.244(1); R 500.65(7). A copy of a petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of Research, Rules, and Appeals, Post Office Box 30220, Lansing, MI 48909-7720.

Anita G. Fox  
Director  
For the Director:

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Sarah Wohlford  
Special Deputy Director  
Signed by: Sarah Wohlford