

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

**In the matter of:**

**Michigan State University Health Care**  
**Petitioner**

**File No. 21-1122**

**v**

**Citizens Insurance Company of the Midwest**  
**Respondent**

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**Issued and entered**  
**this 2<sup>nd</sup> day of September 2021**  
**by Sarah Wohlford**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On July 14, 2021, Michigan State University Health Care (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 Citizens Insurance Company of the Midwest (Respondent) that the Petitioner overutilized or otherwise rendered or ordered inappropriate treatment under Chapter 31 of the Code, MCL 500.3101 to MCL 500.3179.

The Respondent issued the Petitioner three written notices of the Respondent's determination under R 500.64(1) on April 15, 26, and 29, 2021. The Petitioner now seeks reimbursement in the full amount it billed for the dates of service at issue.

The Department accepted the request for an appeal on July 23, 2021. Pursuant to R 500.65, the Department notified the Respondent and the injured person of the Petitioner's request for an appeal on July 23, 2021 and provided the Respondent with a copy of the Petitioner's submitted documents. The Respondent filed a reply to the Petitioner's appeal on August 5, 2021.

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 August 13, 2021.

## II. FACTUAL BACKGROUND

This appeal concerns the denial of payment for physical therapy treatments rendered on March 23, 25 through 30, 2021 and April 1, 6, and 8, 2021. The Current Procedural Terminology (CPT) codes at issue are 97110, 97112, 97012, and 97140, which are described as therapeutic exercise, neuromuscular reeducation, mechanical traction, and manual therapy, respectively.

With its appeal request, the Petitioner submitted medical documentation for the dates of service at issue, which indicated that the injured person had sustained a whiplash injury with complaints of pain in the left knee, neck, low back, and both feet. The therapeutic treatment goals were to strengthen the injured person's left hip, improve bilateral knee flexibility, and improve core stability, gait, and balance.

The Petitioner also submitted a statement dated May 27, 2021, in which it explained that the injured person was receiving treatment relating to multiple injuries from a motor vehicle accident and that her "most severe complaint was neck and breast/abdominal pain." The Petitioner further stated that the injured person performed therapeutic home exercises for lymph drainage through their lymphedema clinic, focusing on the neck, and that her Neck Disability Index (NDI) was 24/50 and Lower Extremity Functional Scale (LEFS) was 34/80, indicating "significant disability." The Petitioner explained that "it is widely accepted that more mature tissue does not resolve as quickly as younger tissue making "[the injured person's] rehabilitation course appropriate." The Petitioner noted that the injured person was making functional improvements from her home exercise program with the assistance of her husband.

The Petitioner's request for an appeal stated:

[The injured person] has worked hard in PT and at home to move her function towards the positive. Her neck range of motion as well as abdominal and breast swelling and pain are progressing well but slowly... Her manual interventions are a sizable portion of her sessions due to swelling and pain. It is widely accepted for whiplash injury [that] PT is beneficial.

In its April 15, 2021 determination, the Respondent stated that the treatments rendered on March 23, 2021 were not medically necessary and that the injured person "had a protracted course of PT commencing on 11/9/2020" and "is now amenable to [a] home exercise program." Similarly, the Respondent noted in its remaining determinations that the injured person "has been trained for a home exercise program" and that "neuromuscular reeducation, exercises, mobilization, and traction are now amendable to a home exercise program." In its reply to the appeal, the Respondent added:

Although healing takes longer in an elderly patient, the patient has treated for 5+ months, and there should be an orderly transition to the entire home exercise program by this time.

## 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 is a matter of medical necessity and overutilization.

The Director assigned an IRO to review the case file. In its report, the IRO reviewer concluded that, based on the submitted documentation, medical necessity was not supported for physical therapy treatments on the dates of service at issue and the treatments were overutilized in frequency or duration based on medically accepted standards.

The IRO reviewer is a licensed chiropractor. In its report, the IRO reviewer referenced R 500.61(i), which defines "medically accepted standards" as the most appropriate practice guidelines for the treatment provided. These may include generally accepted practice guidelines, evidence-based practice guidelines, or any other practice guidelines developed by the federal government or national or professional medical societies, board, and associations. The IRO reviewer relied on Official Disability Guidelines (ODG) for physical therapy, neck, and upper back and on literature regarding guidelines for chiropractic quality assurance and practice parameters.

Describing the treatment rendered, the IRO reviewer stated that the injured person received intermittent mechanical traction of the cervical spine, neuromuscular reeducation, and manual therapy, and performed therapeutic exercises to develop strength, range of motion, and flexibility. The IRO reviewer noted that the injured person was treated for neck, back, and shoulder pain on the dates of service at issue. The IRO stated that the injured person's documented diagnosed conditions included pain in left knee, neck pain, whiplash injury to the neck, low back pain, and pain in both feet.

The IRO reviewer opined that the treatments rendered on the dates of service at issue were not medically necessary. The IRO reviewer explained that the ODG Physical Therapy guidelines support 10 visits of physical therapy over 8 weeks for the diagnosed conditions and that evidence-based guidelines allow for fading of treatment frequency plus self-directed home exercises. Specifically, the IRO stated:

The treating provider noted that the 71-year-old [injured person] sustained multiple injuries as a result of a motor vehicle accident that occurred on 10/01/2020 ... There is no indication, based on the records provided, how many visits of physical therapy the [injured person] received prior to the March 23, 2021 treatment session. The physical therapy rendered on [the dates of service at issue] exceed the recommended treatment duration of 8 weeks. Without documentation to support complicating factors, treatment beyond the recommended treatment frequency and duration protocols (5+ months post injury) cannot be supported.

The IRO reviewer further noted that the submitted medical documentation indicated that the injured person “has made functional progress in her condition and has been transitioned to an active home exercise plan.” The IRO reviewer concluded that, utilizing the “evidence-based ODG Physical Therapy Treatment Guidelines, medical necessity for the ... treatment visits cannot be substantiated.”

The IRO reviewer further opined that the physical therapy treatments rendered on the dates of service at issue were overutilized in frequency or duration, citing the ODG Physical Therapy Guidelines which support 10 visits of physical therapy over a range of 8 weeks for the injured person’s conditions.

Based on the above, the IRO reviewer recommended that the Director uphold the Respondent’s determination that the physical therapy treatments provided to the injured person on March 23, 25 through 30, 2021 and April 1, 6, and 8, 2021 were not medically necessary and were overutilized in frequency or duration in accordance with medically accepted standards as defined by R 500.61(i).

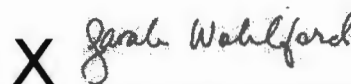
#### IV. ORDER

The Director upholds the Respondent’s determinations dated April 15, 26, and 29, 2021.

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:

 Recoverable Signature



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Sarah Wohlford  
Special Deputy Director  
Signed by: Sarah Wohlford