

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

**In the matter of:**

**Onward Therapy Services**  
**Petitioner**

**File No. 21-1180**

**v**

**Home-Owners Insurance Company**  
**Respondent**

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**Issued and entered**  
**this 14<sup>th</sup> day of September 2021**  
**by Sarah Wohlford**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On July 29, 2021, Onward Therapy Services (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 Home-Owners Insurance Company (Respondent) that the Petitioner overutilized or otherwise rendered or ordered inappropriate treatment, products, services, or accommodation under Chapter 31 of the Code, MCL 500.3101 to MCL 500.3179.

The Respondent issued the Petitioner a written notice of the Respondent's determination under R 500.64(1) on July 16, 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 July 30, 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 30, 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 20, 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 23, 2021.

## II. FACTUAL BACKGROUND

This appeal concerns the denial of payment for physical therapy treatment rendered on June 21, 2021, under Current Procedural Terminology (CPT) codes 97140 and 97110, which describe manual therapy techniques and therapeutic exercise, respectively. With its appeal request, the Petitioner submitted documentation that indicates that the injured person was in a motor vehicle accident in October 2015, and suffered a traumatic brain injury, post-traumatic stress disorder, chronic low back pain due to a L1, L2, and L3 transverse processes fracture and L5 fracture, right rotator cuff tear, left knee pain due to torn posterior cruciate ligament, medial meniscus, medial and lateral heads of gastrocnemius and moderate joint effusion.

In support of the necessity of the treatment rendered, the Petitioner noted:

The injured person has had significant improvement in low back and core strength, as well as strength in the left lower extremity since he started with therapy. The injured person's right hip has worsened which has implication in functional strength in weightbearing on the right lower extremity and he has increased pain the right lower extremity.

In addition, the Petitioner's request for an appeal stated:

Rehabilitative therapy is required for [the injured person's] diagnosis and state of recovery to continue to facilitate his potential improvement and response to therapy; maximum improvement is yet to be obtained, and there is an expectation that anticipated improvement is still attainable. The skilled therapy cannot be safely and effectively carried out by the beneficiary personally, or with the assistance of non-therapists, including unskilled caregivers.

In its determination, the Respondent stated that the Petitioner overutilized services and the treatment rendered was not medically necessary. As a basis for its denial, the Respondent stated that its utilization review was consistent with the Office of Disability Guidelines (ODG). In its reply, the Respondent further explained:

[T]he ODG guidelines recommend post-surgical therapy up to 48 visits over the course of 18 weeks. [The injured person] underwent lumbar instrumentation and removal of hardware surgery on October 30, 2020. [The injured person] began physical therapy, having 78 visits since the surgery. The treatment included manual therapies and therapeutic exercises. Therefore, the provider's services are not supported by ODG and were not medically necessary.

## 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 that, based on the submitted documentation, the physical therapy treatments provided to the injured person on June 21, 2021, were not medically necessary 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 doctor of chiropractic medicine. 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 the Official Disability Guidelines (ODG) by MCG related to physical and occupational therapy for shoulder and low back conditions.

The IRO reviewer opined that the physical therapy services provided to the injured person on June 21, 2021, were not medically necessary in accordance with medically accepted standards. The IRO reviewer noted:

As per the documentation submitted for review, the injured claimant has previously completed 78 visits of physical therapy including manual therapy and therapeutic exercises to develop strength. ODG supports up to 34 visits over 16 weeks for the diagnosed condition with fading of treatment frequency (from up to 3 visits per week to 1 or less), with transition to an active self-directed home [physical therapy Home Exercise Program]. The treating provider noted extremity weaknesses, however, there is no documentation to support myelopathic involvement (as opposed to nerve root involvement), therefore as per ODG, 34 post-op physical therapy visits are supported over 16 weeks rather than 48 visits over 18 weeks. Therefore, the physical therapy rendered on June 21, 2021, exceeds the evidence-based guideline criteria.

The IRO reviewer further opined that, based on the documentation, the physical therapy treatment rendered on June 21, 2021 was beyond the recommended treatment frequency and duration protocols. The IRO reviewer further explained:

The injured person has previously completed at least 78 visits of physical therapy including manual therapy and therapeutic exercises to develop strength. The guideline criteria allow for fading of treatment frequency (from up to 3 visits per week to 1 or less), with transition to an active self-directed home [physical therapy Home Exercise Program].

Based on the above, the IRO reviewer recommended that the Director uphold the Respondent's determination that the physical therapy treatment provided to the injured person on June 21, 2021 was not medically necessary in accordance with medically accepted standards, as defined by R 500.61(i).

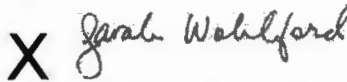
#### IV. ORDER

The Director upholds the Respondent's determination dated July 16, 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

  
X

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Sarah Wohlford  
Special Deputy Director  
Signed by: Sarah Wohlford