

**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. 21-1198**

v

**Meemic Insurance Company**  
**Respondent**

---

**Issued and entered**  
**this 20<sup>th</sup> day of September 2021**  
**by Sarah Wohlford**  
**Special Deputy Director**

**ORDER**

**I. PROCEDURAL BACKGROUND**

On August 2, 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 Meemic Insurance Company (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 pursuant to R 500.64(3), which allows a provider to appeal to the Department from the denial of a provider's bill. 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 August 4, 2021. Pursuant to R 500.65, the Department notified the Respondent and the injured person of the Petitioner's request for an appeal on August 4, 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 25, 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 September 7, 2021.

## II. FACTUAL BACKGROUND

This appeal concerns the denial of payment for physical therapy treatments rendered on June 30, July 2, 9, and 12, 2021, under Current Procedural Terminology (CPT) codes 97110, 97112, and 97018 which are described as therapeutic exercise, neuromuscular re-education, and paraffin bath, respectively. With its appeal request, the Petitioner submitted documentation that indicates that the injured person was in a motor vehicle accident in July 2017 and suffered a traumatic brain injury, ataxia, abnormalities in balance and gait, muscle weakness in lower extremities, and chronic pain due to trauma.

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

[The injured person] has had improvement in activity tolerance, required two less recovery periods. [The injured person] is continuing to strengthen his bilateral lower extremities, core, and glutes to assist with improved functional safety and independence along with gait training and standing activities.

In addition, the Petitioner request for appeal stated:

The American College of Occupational and Environmental Medicine (ACOEM) and Official Disability Guidelines (ODG) guidelines are based on guidelines for common health disorders among workers. The guidelines address the key domains of occupational health care practice including preventions, health promotion, diagnosis, causation determination, and disability management. It does not take into account consideration the practice guidelines established by the healthcare provider providing the service, in this case the American Physical Therapy Association practice guidelines. Which clearly support skilled services for preventing further deterioration of the individual's health without skilled services.

For the dates of service at issue, the Respondent issued three separate *Explanation of Benefits (EOB)* letters dated July 19, 20, and 21, 2021. The EOBs denied payment on the basis that the documentation provided lacked objective findings, relatedness of the diagnosis, and objective findings to the motor vehicle accident from July 2017.

In its reply, the Respondent reaffirmed its position that the treatments provided were not supported by generally accepted guidelines. Specifically, the Respondent relied on the Official Disability Guidelines (ODG) and cited that "therapy visits over 8-16 weeks are recommended for an abnormality of gait based on the specific condition." The Respondent further noted that based on the objective findings in the medical record, "additional therapy visits are not supported."

## 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, medical necessity was not supported on the dates of service at issue and the treatment was overutilized in frequency or duration based on medically accepted standards.

The IRO reviewer is board-certified in physical medicine and rehabilitation. 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 clinical practice guidelines from the American Physical Therapy Association (APTA).

Based on the documentation submitted and the most appropriate practice guidelines, the IRO reviewer concluded that the physical therapy treatments provided to the injured person on the dates of service at issue were not medically necessary. The IRO reviewer opined that use of the APTA, the ACOEM, and the ODG are appropriate guidelines to rely on for medically accepted standards as defined in R 500.61(i). Therefore, both the Petitioner and Respondent applied appropriate standards in their decision-making. However, the IRO reviewer further opined that the treatments were not medically necessary, even when applying the APTA guidelines. Specifically, the IRO reviewer noted:

[T]he [injured person] has a chronic and remote injury from 2017 for which the [injured person] is at [maximum medical improvement] and the goals that have been set ... of ambulating in the grass/dirt, negotiating stairs, and increasing [bilateral lower extremity] strength is not expected to improve or be attained 4 years after injury. The natural history of the injured person's injury does not predict further functional gains.

In addition, the IRO reviewer concluded that the physical therapy treatments provided to the injured person on the dates of service at issue were overutilized in frequency or duration. The IRO reviewer noted that the Petitioner relied on APTA guidelines to support the use of skilled services "to prevent deterioration of function." However, the IRO reviewer opined that the injured person is at maximum medical improvement.

Based on the above, the IRO reviewer recommended that the Director uphold the Respondent's determination that the physical therapy provided to the injured person on June 30, 2021, July 2, 9, and 12, 2021 were 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 19, 20, and 21, 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 *Sarah Wohlford*

---

Sarah Wohlford  
Special Deputy Director  
Signed by: Sarah Wohlford