

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 LLC
Petitioner

File No. 21-1253

v

Auto Club Group Insurance Company
Respondent

Issued and entered
this 1st day of October 2021
by Sarah Wohlford
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On August 10, 2021, Onward Therapy Services LLC (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 Auto Club Group Insurance Company (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 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 Respondent issued a bill denial to the Petitioner on July 27, 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 August 19, 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 19, 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 September 2, 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 15, 2021.

II. FACTUAL BACKGROUND

This appeal concerns the denial of payment for physical therapy treatment rendered on June 7, 2021. The Current Procedural Terminology (CPT) code at issue is 97140 with an accompanying GP modifier, which is described as manual therapy treatments delivered under an outpatient physical therapy plan of care.

With its appeal request, the Petitioner submitted medical records for the date of service at issue that noted the injured person was diagnosed with pain in the left knee and both shoulders. The Petitioner's supporting documentation included a March 11, 2021 prescription for home physical therapy for range of motion and stretching 2 to 3 times a week for an unstated duration. The prescribing physician noted a diagnosis of a spinal cord injury and that home physical therapy treatments were needed to address bilateral shoulder pain and "left knee buckling" which affected the injured person's balance with transfers.

In its request for an appeal, the Petitioner argued that American College of Occupational and Environmental Medicine (ACOEM) and Official Disability Guidelines (ODG) are not appropriate for the injured person's treatment based on her history of partial spinal cord injury, traumatic brain injury, and orthopedic injuries. The Petitioner argued that the American Physical Therapy Association practice guidelines should be taken into consideration to "prevent further deterioration of the [injured person's] health." The Petitioner further stated that skilled physical therapy is required for the injured person's treatment and that without it, the injured person "is at risk of declining in functional ambulation, overall strength and flexibility, and increased pain."

In its reply, the Respondent reaffirmed its position that the rendered treatment was not medically necessary and was overutilized in frequency or duration in accordance with ODG guidelines. Specifically, the Respondent stated:

The [injured person] completed 15 therapy visits as of June 7, 2021. The June 7, 2021 treatment note indicated that [she] was having more pain in shoulders and that her leg would start to spasm randomly. Some soreness was reported following treatment, but no significant change in pain was noted. There were no documented objective findings to support that the [injured person] had functional improvement from the completed therapy sessions.

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 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 ODG by MCG guidelines and medical literature regarding treatment for chronic pain.

The IRO reviewer opined:

Even though the APTA guidelines are frequently utilized by physical therapists, the evidence-based medical literature supports a multifaceted and/or multidisciplinary approach to chronic pain. For patients who have persistent pain and disability that interferes with their activities of daily living (ADLs), a multidisciplinary approach may be optimal as opposed to [a] singular approach through prolonged physical therapy treatment.

The IRO reviewer explained that the injured person sustained a traumatic brain injury, partial spinal cord injury, and orthopedic injuries including bilateral shoulder and left knee pain relating to a motor vehicle accident that occurred in September 1997. The IRO reviewer noted that the injured person had completed 15 physical therapy sessions from March 22, 2021 through June 29, 2021 prior to the date of service at issue. The IRO reviewer explained that ODG supports up to 10 visits over 8 weeks for the injured person’s diagnosed conditions with “fading of treatment frequency” and recommends transition to an active, self-directed home exercise program.

The IRO reviewer opined:

For recurrences/flare-ups, ODG supports 1 to 2 visits every 4 to 6 months for return of significant functional limitations, when positive response to repeat therapy is likely (based on prior treatment success). Therefore, the physical therapy rendered on June 7, 2021 exceeds the evidence-based guideline criteria. Based on the documentation provided including the diagnosed conditions, treatment beyond the recommended treatment frequency and duration protocols is not supported.

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 7, 2021 was not medically necessary and was overutilized in frequency and duration in accordance with medically accepted standards, as defined by R 500.61(i).

IV. ORDER

The Director upholds the Respondent's determination dated July 27, 2021.

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:

 Recoverable Signature

X *Sarah Wohlford*

Sarah Wohlford
Special Deputy Director
Signed by: Sarah Wohlford