

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

In the matter of:

**HealthSource Saginaw**  
**Petitioner**

**File No. 21-1619**

v

**Auto Club Group Insurance Company**  
**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 October 13 and 21, 2021, HealthSource Saginaw (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 the Petitioner bill denials on August 21 and October 5, 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 November 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 November 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 December 13, 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 January 3, 2022.

## II. FACTUAL BACKGROUND

This appeal concerns the denial of payment for physical therapy treatments rendered on July 1, 6, 8, 13, 20, 27 and 29, 2021; and August 3, 5, 19, 24, 26, and 31, 2021. The Current Procedural Terminology (CPT) codes at issue include 97140 and 97110, which are described as manual therapy techniques and therapeutic exercise, respectively. In its denial, the Respondent referenced Official Disability Guidelines for the shoulder and stated that the injured person “had ongoing right shoulder pain rated 4/10 despite having multiple therapy sessions.” The Respondent also noted in its denial that the individual was injured in 1995.

With its appeal request, the Petitioner submitted progress notes which identified the injured person’s diagnosis as right shoulder bursitis, muscle weakness and pain at a level of 4/10 on a 10-point scale. The Petitioner’s progress notes indicated that the injured person also reported left shoulder pain. The Petitioner noted that the injured person was involved in a motor vehicle accident in 1995, which resulted in an “aortic dissection causing him to have loss of blood flow to the spinal cord and ultimately become a paraplegic from the level of T5 down.” The injured person also sustained a left below-knee amputation in relation to the motor vehicle accident and has used a wheelchair since 1995, “relying on his bilateral upper extremities for propulsion and transfers.” The Petitioner noted that the injured person developed a “semi-rigid scoliosis” over time as a full-time wheelchair user with no active trunk control. In addition, the Petitioner stated that the injured person has a history of carpal tunnel in both hands with “active treatment of carpal tunnel ongoing in the right hand” and noted that this condition alters some of his upper extremity mechanics due to decreased strength and sensation in the right hand.

The Petitioner’s request for an appeal further stated:

[The injured person] was seen for initial evaluation in physical therapy on 5/13/21 with a referring diagnosis of right shoulder bursitis. [He] has been seen approximately 2x/week since that time to address his ongoing shoulder pain...Due to [the injured person’s] complex medical history and abnormal usage of bilateral upper extremities, compared to the normative population it is unrealistic to expect him to see results with accordance of the ODG guidelines for this diagnosis.

In its reply, the Respondent reaffirmed its position and referenced American College of Occupational and Environmental Medicine (ACOEM) guidelines relating to acute, subacute, or chronic cervical and thoracic pain. The Respondent stated that the treatment exceeded guideline recommendations and that the injured person had an opportunity to establish a home activity and exercise program.

## 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 physical therapist who holds a doctorate in physical therapy. The IRO reviewer is knowledgeable in the care of individuals involved in MVAs who have sustained spinal cord damage resulting in paraplegia. 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 practice guidelines of the American Physical Therapy Association (APTA) and the Academy of Orthopaedic Physical Therapy (AOPT) as well as medical literature regarding shoulder pain and mobility deficits for its recommendation.

The IRO reviewer explained that the injured person’s “chronic shoulder bursitis and associated impingement in the shoulder has limited his mobility and decreased his ability to perform functional activities and wheelchair mobility.” The IRO reviewer further explained that the guidelines support manual therapy for initial visits to improve mobility and pliability including a home exercise program (HEP) and compensatory functional training for transfers and for bed and wheelchair mobility. The IRO reviewer noted that “visits should be limited to 6-8 sessions to improve tissue function and then progress to a HEP.”

Regarding the treatment rendered to the injured person on the dates of service at issue, the IRO reviewer stated that manual therapy “had not progressed in terms of amplitude and frequency” and that the injured person was prescribed therapeutic exercises, but instruction was not given “as a home exercise program or reinforced as part of this program.” The IRO reviewer stated that passive modalities and manual therapy were utilized as opposed to more active techniques to address pain and mobility. The IRO reviewer stated that “active stretching and a HEP is recommended for [the injured person] to achieve and maintain goals of improve shoulder range of motion (ROM) and strength.”

The IRO reviewer opined:

[T]he number of visits far exceeds the recommended treatment course for a patient with chronic and recurrent bursitis and associated shoulder pain and were overutilized and not medically necessary. According to records provided, [the injured person] had not progressed to an HEP in a timely manner, there were no objective measures performed to measure his progress, and no functional training was performed to improve his compensatory strategies for wheelchair mobility. There is little to no evidence that passive stretching would help [the injured person] improve mobility and maintain goals.

The IRO reviewer recommended that the Director uphold the Respondent's determination that the physical therapy treatments provided to the injured person on July 1, 6, 8, 13, 20, 27 and 29, 2021; and August 3, 5, 19, 24, 26, and 31, 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 August 21 and October 5, 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:

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Sarah Wohlford  
Special Deputy Director  
Signed by: Sarah Wohlford