Auto Casualty

Webcast: Michigan No-Fault Reform-An Expert's Guide to the New Utilization Review Administrative Rules

Event Details

Start: April 28, 2020 @ 8:00PM EDT On-Demand End: April 28, 2020 @ EDT On-Demand Location: Online Event

As a part of Michigan's no-fault auto insurance reform, new utilization review administrative rules will go into effect for insurance carriers on July 2, 2020. In this webcast, hear from Mitchell Senior Vice President of Regulatory Compliance Management Michele Hibbert-Iacobacci and Manager of Product Management Sanjog Patel to learn about the new rules and the potential impact to your business.

Watch Now

Summary

Starting July 2, 2020, insurance carriers in Michigan will be required to send certain medical bills through a retrospective utilization review process that will help determine the appropriateness of care and related costs. As a part of the new utilization review administrative rules, carriers are also required to file their respective utilization review plans for approval with the Michigan Department of Insurance and Financial Services (DIFS). The carriers' plans should specify the criteria and components they will use to determine which bills will be sent through the utilization review process and subsequently have professional utilization review applied. The state of Michigan, under No Fault 500.3157a(6), defines utilization review as "the initial evaluation by an insurer or the association created under section 3104 of the appropriateness in terms of both the level and the quality of treatment, products, services, or accommodations provided under this chapter based on medically accepted standards." While the Michigan Utilization Review Rules are not yet final, carriers can prepare to comply by taking the following steps:

- Evaluate the utilization review referral criteria that best fits your business
- When the form is available, file a utilization review plan for approval with the Michigan DIFS and include the utilization review referral, review criteria and information regarding any entity that may be contracted

to perform professional utilization review

Michigan Utilization Review Administrative Rules Frequently Asked Questions

Which bills are required to be sent to utilization review?

For auto casualty claims, carriers will decide their own criteria to determine when a bill needs to go through a utilization review process to determine if the treatment, duration and frequency of care, and/or amount billed were appropriate. Carriers must submit their criteria to the Michigan DIFS in advance and will need to establish their rules and standards for utilization review in their medical bill review processes. A carrier that determines that a provider over-utilized or otherwise rendered or ordered inappropriate medical care, or that the cost of the medical care was inappropriate, must issue a notice to the provider.

What medical treatment guideline criteria should clients use to determine if a bill should be reviewed (ACOEM, InterQual)?

Utilization review determinations regarding the appropriateness of medical care, both in terms of the level and quality, should be determined based on "medically accepted standards." Although these could mean guidelines such as InterQual, ODG or ACOEM, the final utilization review administrative rules need to provide more clarity for what is acceptable and considered a competent authority. At this time, under R500.67(2)(b), the rules state that a carrier's utilization review program must "make determinations regarding the appropriateness of medical care, in terms of both the level and quality of medical care based on medically accepted standards." It remains unclear what the department considers "medically accepted standards" and what the state considers a "competent authority."

What is the UR plan that the Michigan DIFS has to approve and when is it due?

The DIFS requires that carriers submit a utilization review plan that outlines the criteria that they will use to determine which bills will be sent through the UR process. The DIFS will approve the plans conditionally (one-year approval) or unconditionally (three-year approval). The DIFS has not yet released the documentation that carriers need to fill out to submit their plan for approval prior to July 2.

What annual reporting data will the DIFS request?

The DIFS indicated that they will provide instructions to insurers regarding how to complete required annual reporting; however, at this time, the information has not been made available.

Are any physicians involved in the utilization review process in Michigan?

Unlike the traditional utilization review process that we typically see in the workers' compensation industry, for Michigan auto claims, physician advisors, or peer reviews, are not required in the current draft. Another key difference in Michigan's utilization review rules is that nurses may question treatment, and can provide recommendations for the utilization review action, but not a determination. That being said, utilization review organizations will release an explanation of benefits with the recommendation, but no determination document is required.

Will utilization review be required on claims with a date of accident prior to July 1, 2020?

According to Section 3157a of Insurance Code, utilization review will be applied to care rendered after July 1, 2020 if insured under Chapter 31 or Chapter 31a. To perform proper utlizaton review on care rendered after July 1, 2020 in claims that were open prior to this date, it will be mandatory for historical review of a claims from date of loss forward to obtain a complete picture of the claimants issues and care path. To learn more about the Michigan No-Fault Reform, read the following article written by Senior Vice President of Regulatory Compliance Management, Michele Hibbert-Iacobacci and visit Mitchell's Michigan No-Fault Reform Resource Page. https://www.mpower.mitchell.com/michigan-no-fault-reform/ To see more articles and insights from one of our presenters, Michele Hibbert-Iacobacci, click here to visit Mitchell's mPower website.

Watch On-Demand

Please note that you can not receive CE credits for watching past webinars.



©2022 Enlyte Group, LLC.

mitchell | genex | coventry