Appealing a Reimbursement Determination to DIFS: What a July 2026 Decision Shows AICM – Michigan prevailed in an appeal against Home-Owners Insurance Company

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Published September 20, 2026. This article reflects the DIFS order issued July 20, 2026.

On July 20, 2026, the Director of the Michigan Department of Insurance and Financial Services (DIFS) issued an order in *Auto Injury Case Management of Michigan v. Home-Owners Insurance Company* (File No. 26-1294). The Director reversed Home-Owners' reimbursement determination for case management services and ordered additional reimbursement, with interest.

The order is narrow, and we describe its limits below. Even so, its reasoning is useful to providers, attorneys, and insurers who deal with reimbursement disputes under Michigan's Auto No-Fault system. This article summarizes what happened, how DIFS reached its result, and what the order does and does not establish.

The Dispute

The appeal concerned case management services AICM – Michigan provided on a single date of service, January 1, 2026, billed under CPT code 99487 (complex chronic care management services). Home-Owners reimbursed the services at an hourly rate that it said was based on usual and customary charges from a market survey. On February 26, 2026, it issued a determination on the bill.

AICM appealed. Our position was that the methodology was unclear and inconsistently applied, and that recognized benchmarks such as the FAIR Health database are commonly used to assess prevailing charges in a region.

The timeline was as follows:

- **May 20, 2026:** AICM filed the appeal under MCL 500.3157a.
- **May 21:** DIFS accepted it.
- **June 2:** DIFS notified Home-Owners and the injured person.
- **June 22:** Home-Owners filed its reply.
- **July 20:** DIFS issued its order.

Which Version of the Statute Applied

The injured person's accident occurred before June 11, 2019, so DIFS calculated reimbursement under the pre-reform version of MCL 500.3157. It followed the Michigan Court of Appeals' published decision in *Fremont Insurance Company v Lighthouse Outpatient Center* (Docket No. 370500, April 11, 2025), which held that the fee schedule in the amended statute does not apply to treatment of people injured in accidents before that date.

Under the pre-reform statute, the question is whether the charge is reasonable. If the amount an insurer pays rests on a determination of what is reasonable, there is no violation even when the payment is less than the provider charged. For accidents on or after June 11, 2019, different rules may apply, so providers should confirm which version governs before they file.

How DIFS Set the Amount

DIFS noted that a survey of charges is an appropriate way to test reasonableness, citing *Advocacy Organization for Patients & Providers v Auto Club Insurance Ass'n*, 257 Mich App 365 (2003). To evaluate the charge here, DIFS relied on FAIR Health data representing the 80th percentile of charge benchmarks for the applicable geographic area (geozip 480) and code, released in November 2025. It noted that *Advocacy Organization* expressly approved this type of 80th-percentile formula.

Two other points in the order are worth noting:

- Home-Owners said it paid based on a market survey but did not provide that survey to DIFS, so DIFS could not review it in determining the appropriate amount.
- Home-Owners argued that the burden was on the provider to support its charges, and that AICM had not explained how it arrived at its charge or what the FAIR Health data would show. DIFS did not rest its decision on that point. It applied the benchmark and concluded that additional reimbursement was due.

The Order

The Director reversed Home-Owners' February 26, 2026 determination and ordered additional reimbursement, plus interest on overdue amounts under MCL 500.3142.

Practical Takeaways

Identify the governing law first. The date of the accident determines whether the pre-reform reasonableness standard or the amended fee schedule applies.

Know where your charge sits against the benchmark. In this case DIFS used FAIR Health's 80th percentile for the region and code. Providers should understand how their charges compare before appealing. Because the insurer argued that the provider carries the burden, it is prudent to include benchmark data and an explanation of how the charge was set, rather than relying on DIFS to run the numbers.

A methodology has to be reviewable. An insurer that relies on a survey or benchmark should be prepared to produce it. The order notes that a survey not provided to DIFS could not be considered.

Accurate coding and complete documentation remain the baseline for any billing dispute. They were not the issue in this appeal.

Confirm that the dispute is eligible. Section 3157a(5) allows a provider to appeal an insurer's determination that it overutilized or rendered inappropriate services, or that the cost of the services was inappropriate. This appeal concerned cost. Providers should confirm the current requirements with DIFS or counsel before filing.

What the Order Does Not Do

The order states that it applies only to the treatment and dates of service discussed in it, and that neither party may rely on it for future treatment or for other dates of service. It addressed one date of service. It does not set a rate for case management, and the FAIR Health figures reflect the code, region, and data release DIFS used in this matter. Other appeals will depend on their own facts, records, and accident dates.

Why We Appealed

Independent case management requires experienced clinicians to spend substantial time coordinating complicated medical and rehabilitation needs. When we believe a determination does not reflect a reasonable charge for that work, we will use the process Michigan law provides. We are glad DIFS agreed in this instance.

Read the Decision

Auto Injury Case Management of Michigan v. Home-Owners Insurance Company, DIFS File No. 26-1294, issued July 20, 2026. **[Read the full DIFS order →]**

This article is for general information and is not legal advice. DIFS orders apply only to the facts, services, and dates of service they address, and the outcome of one proceeding does not determine the outcome of another.

About the Author

Michael Malecki, RN, FF/EMT, is President and CEO of AICM – Michigan, an independent case management organization founded in 2014. A registered nurse since 1992, his clinical background includes emergency and trauma nursing, healthcare leadership, and emergency medical services. He leads AICM – Michigan's patient-first approach to coordinating care for people seriously injured in motor vehicle crashes.