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BULLETIN

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As the debate builds over whether utilization review (UR) and independent medical review (IMR) improve the California workers' compensation medical dispute process, a new CWCI analysis of IMR decisions from 2014 finds that 91 percent of physician-level UR modifications or denials of treatment reviewed by an IMR physician were upheld, while 9 percent were overturned. The finding suggests that UR and IMR not only work to assure that the care rendered to injured workers is appropriate, but also provide a needed check against prescription drugs, diagnostic tests, surgeries and other procedures that do not meet evidence-based medicine standards and that could delay an injured workers' recovery or lead to further impairment or disability.

To measure IMR outcomes, the study's authors compiled data from all 137,781 IMR final decision letters issued in 2014 by physician reviewers who conducted independent medical reviews in response to denials or modifications of medical services requested for injured workers. That data was used to examine the volume and timeliness of IMRs; determine the number, mix and uphold rates for medical services that were reviewed; identify reviewer characteristics, including medical specialty and geographic distribution; measure the impact that high-volume attorneys and physicians have on IMR; and provide data on the guidelines and other information that independent medical reviewers use to make their decisions.

The 137,781 IMR determination letters issued in 2014 involved claims from 76,718 injured workers. Forty percent of the IMR applications had requests for multiple services, so altogether, the 2014 letters included decisions on 260,889 individual medical services.

State law and regulations require that an IMR application must be received within 30 days of the injured worker's receipt of a UR denial or modification, and the study found that this requirement was met 90 percent of the time last year, with a median of 17 days elapsed between the UR determination and receipt of the IMR application. The state has contracted with an independent medical review organization (Maximus) to handle the IMR process in workers' compensation. After Maximus receives an IMR request, it confirms the eligibility of the application; requests, receives and processes the medical records; and assigns an independent medical review physician. The IMR physician reviews the UR determination, the physician's reports and any other information noted in the request or in the UR decision, then consults the treatment guidelines in the Medical Treatment Utilization Schedule (MTUS) or other applicable guidelines to determine if the requested treatment is medically necessary based on the clinical evidence. Within 30 days of receiving the required medical records, Maximus must issue a determination letter to the injured worker or their representative – typically an attorney or the requesting doctor – explaining that decision and the rationale behind it.

Among decisions issued last year, the authors found the median time elapsed between the IMR application date and the date of determination letter peaked at between 161 and 165 days in the 2nd quarter, but that response time dropped sharply to between 48 and 66 days in the 4th quarter of 2014, suggesting that Maximus may have worked through the glut of IMR requests that initially clogged the system and that the process is now working more smoothly than it did after it was first adopted.

As in a preliminary study done last year, the 2014 IMR data show requests for pharmaceuticals were by far the most frequently reviewed medical request, accounting for nearly 45 percent of all treatment disputes that went through IMR last year, though in 92 percent of the IMR decisions, the UR physician's denial or modification of the pharmaceutical request was upheld. Requests for durable medical equipment, physical therapy, injections (primarily epidural

injections), and diagnostic tests and measurements such as sleep studies and nerve conduction studies rounded out the top 5 IMR service categories, each accounting for 5 to 10 percent of the services reviewed. Altogether, these 5 service categories comprised nearly three quarters of all IMRs conducted in California workers' compensation last year. IMR physicians' uphold rates for the UR modifications or denials of these services ranged from 88 percent for diagnostic tests and measurements to 94 percent for physical therapy.

A closer look at the pharmaceutical IMRs found that compound drugs, which have been the focus of controversy both in workers' compensation and in other health systems, accounted for 12 percent of the pharmaceutical requests, and that less than 2 percent of the compound drug requests were found to be medically necessary by the IMR physician. Among requests for non-compound drugs, opioids accounted for 29 percent of the IMRs, with the UR denials or modifications upheld 91 percent of the time. Among the top 10 non-compound prescription IMR applications, requests for antidepressants, had the highest overturn rate, with the independent medical reviewer determining these drugs were medically necessary in 23 percent of the cases, while anti-convulsants or anti-seizure meds, which physicians sometimes prescribe for off-label use as mood stabilizers or neuropathic pain, were allowed in 16 percent of the cases, the second highest overturn rate among non-compound meds.

A review of case-level attributes found the mix of services for which IMR was requested was consistent across injury years except that diagnostic tests were more prevalent among newer injuries and surgery requests were more prevalent among older injuries. Address data on the IMR decision letters showed a disproportionate share of the medical disputes occurred in Los Angeles, which accounted for 36 percent of all IMR decisions, versus 24 percent of California's work injury claims, though the IMR uphold rate in Los Angeles was nearly 93 percent -- the highest in the state. On the other hand, IMR volume in the Bay Area represented 19 percent of the statewide total, which was in line with the percentage of claims from the region, with the UR decisions upheld 90 percent of the time. The Central Valley, San Diego and the northern and Sierra counties accounted for a relatively low proportion of IMR cases compared to their share of California claims, with uphold rates in those areas also about 90 percent. The address data from the IMR letters also revealed the heavy involvement of attorneys in the IMR process, with nearly two-thirds of the decision letters addressed to an attorney. Notably, the vast majority of letters directed to someone other than the injured worker were sourced to a small number of representatives, with the top 1 percent of representatives (72 individuals) named on 18 percent of all 2014 decision letters, and the top 10 percent of representatives named on 65 percent of the letters. Similarly, the top 1 percent of treating physicians identified in the decision letters (134 providers) were linked to 44 percent of the IMR determinations, while the top 10 percent of providers (1,332 doctors) were associated with 83 percent of the disputed medical requests.

Among the IMR physicians, 62 percent were licensed to practice in California, while 38 percent were licensed in other states. The California physicians upheld 89.3 percent of the UR modifications or denials of treatment, while those licensed in other states upheld 93.4 percent. The most common specialties among the IMR physicians were physical medicine and/or rehabilitation (38 percent of the reviewers), followed by occupational medicine specialists (15 percent); surgeons (12 percent, most of whom were orthopedic and spine surgeons); and pain management and anesthesiologists (11 percent). About 75 percent of the guideline summaries issued with the determinations specified whether the guidelines used in the IMR were part of the Medical Utilization Treatment Schedule, and among those summaries, 80 percent listed MTUS guidelines or both MTUS and non-MTUS guidelines. The rest relied exclusively on non-MTUS guidelines.

CWCI has published additional details, tables and findings from the study in a Research Update report, "Independent Medical Review Outcomes in California Workers' Compensation," which is posted in the research section of the Institute's website at www.cwci.org. The report is available to the public.

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