



BULLETIN

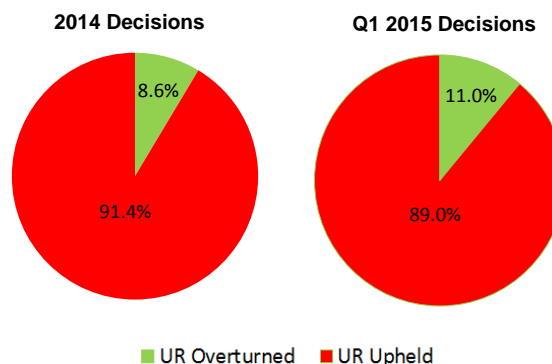
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An analysis of California workers' compensation independent medical review (IMR) outcomes from the first quarter of 2015 shows there has been no let up in the volume of medical disputes that undergo IMR, even though in about 90 percent of the cases the IMR physician concurs with the utilization review (UR) finding that the requested service is not necessary based on the Medical Treatment Utilization Schedule or other applicable treatment guidelines. The study also finds that Los Angeles County accounts for a disproportionate share of IMR disputes; a small cadre of physicians continue to request the vast majority of the disputed services; and 3/4 of the disputed treatment requests are for prescription drugs, physical therapy, durable medical equipment, injections, and diagnostic tests and measurements.

Legislators who enacted IMR as part of the 2012 workers' compensation reform bill (SB 863) expected that the volume of applications would diminish following an initial learning curve as physicians, attorneys and others involved in the process would gain an understanding of the types of treatment that would meet the evidence-based medicine standards and be approved through UR and IMR. The new data, however, show that after 2 years, the number of IMR disputes remains at near record levels. In the first quarter of this year, Maximus Federal Services, the contractor that manages the IMR program for the state, issued 33,909 IMR determination letters with decisions on more than 60,000 medical service requests for 25,449 injured workers. At that rate, the number of IMR decisions in 2015 should nearly match the 137,781 IMR decision letters issued in 2014, which addressed 260,889 disputed services requested for 76,718 injured workers.

The new data also show that IMR outcomes were remarkably consistent between 2014 and the first three months of 2015. As noted below, last year, 91.4 percent of all IMR decisions upheld or agreed with the physician-level utilization review opinion that the treatment was not medically necessary based on the evidence-based medicine standards adopted by the state, while in the first quarter of this year, the uphold rate was 89.0 percent.



Results did vary significantly by service category. Among the 18 medical service categories used in the study, the percentage of UR modifications or denials that were upheld following IMR ranged from just under 71 percent for the evaluation and management (E/M) services to 95.9 percent for home health care requests.

Notably, the mix of disputed services for which IMR decisions were issued showed little change in the first quarter. Prescription drugs, including compound drugs and opioids, remained the number one medical service submitted for IMR, comprising 48 percent of first quarter IMRs, up from 45 percent in 2014. UR denials or modifications of those requests were upheld by the IMR physician 89 percent of the time in the first quarter versus 91.9 percent of the time last year. Requests for physical therapy, durable medical equipment, and injections also remained in the top 5 IMR service categories, but surgery requests surpassed diagnostic tests and measurements as the fifth most common type of service submitted for IMR, even though surgery requests edged down from 4.7 percent to 4.4 percent of the IMR cases, and the uphold rate held steady at 89 percent.

Using the ZIP code from the address on the determination letter, which was sent to the injured worker or their representative, the analysis also examined the geographic distribution of the first quarter IMR decisions. As in 2014, Los Angeles County comprised a disproportionate share of the IMR decision letters, accounting for 38 percent of the first quarter determinations, which is 1.5 times the proportion of claims that come from that region. Another 20 percent of the letters were addressed to Bay Area recipients, which was in proportion with the percentage of claims from that region. On the other hand, the six other regions of the state had a disproportionately low percentage of the IMR decisions. The biggest disparities continued to be in sparsely populated rural areas. For example, the Sierras, which account for 2 percent of all claims, had only 1 percent of the first quarter IMR decisions, while the Northern Counties, which have 3 percent of all claims, accounted for only 1 percent of the IMR decisions.

There were about 5,200 unique physician names noted in the IMR decision letters from the first quarter of 2015, and as in 2014, most of the medical services that resulted in IMR disputes were requested by a relatively small number of physicians. The top 10 percent of physicians identified in the first quarter determination letters (the 516 physicians with the highest volume of disputed service requests) were named in 70 percent of the IMR decision letters, while the top 1 percent (52 physicians) accounted for 28 percent of the disputed medical service requests that went through IMR. Furthermore, the top 10 individual providers (most of whom were also on 2014's top 10 list) accounted for 10.1 percent of the first quarter IMR decision letters, and 11.8 percent of the medical service decisions. Notably, 88.5 percent of the UR modifications or denials of the medical services requested by these 10 providers were still upheld following independent medical review.

The IMR outcomes again show that after reviewing the patient's records and additional information provided in support of the request, IMR physicians continued to agree with the UR doctor's modification or denial of the service nearly 90 percent of the time -- a strong indication that payers and reviewers have been consistent in applying the Medical Treatment Utilization Schedule and evidenced-based medical guidelines when determining the medical necessity of a requested medical service.

The Institute has published a Research Spotlight Report, "California Workers' Compensation Independent Medical Review: 1st Quarter 2015 Outcomes," that includes additional details and graphics from the study. CWCI members and subscribers who use their registered email and password to log on to the Institute website will find the report in the Research section of the CWCI website.

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