



BULLETIN

No. 17-06

March 17, 2017

A CWCI analysis of 2016 California workers' comp independent medical review (IMR) outcomes finds that even though IMR physicians continued to uphold utilization review (UR) physicians' denials and modifications of treatment more than 90 percent of the time, total IMR volume increased for the third year in a row.

The Institute analysis is based on data from 477,045 IMR final determination letters issued in 2014, 2015 and 2016 by physician reviewers who conducted IMRs in response to denials or modifications of medical service requests for injured workers. That data was used to identify changes in the volume, timeliness, and geographic distribution of IMRs; calculate the number, mix, and uphold rates for medical services that were reviewed; determine the distribution and outcomes of pharmaceutical IMRs by drug type; and to measure the percentage of 2016 IMRs associated with the top 10 percent of medical providers with the highest volume of disputed medical service requests.

According to the Division of Workers' Compensation (DWC), the volume of IMR determination letters issued last year rose 6.3 percent to 176,002, which followed a 15.0 percent jump in the prior year, for a net increase of 22.2 percent between 2014 and 2016. The Institute analysis found that the number of primary medical service requests covered in the 2016 determination letters rose 6.5 percent to 309,824, because as in both the preceding years, nearly 40 percent of the 2016 letters included decisions on multiple medical service requests. Requests for prescription drugs again represented nearly half of all medical services sent through IMR last year, even though more than 90 percent of these disputed drug requests were determined medically unnecessary by both the UR and the IMR physicians. The distributions of the 2014 - 2016 IMRs by type of service request and the percentage of UR modifications or denials that were upheld are noted below.

2014-2016 California WC IMR Distribution & Uphold Rates by Medical Service Category

Category of Medical Service Requested	% of Service Requests			% Upheld		
	2014	2015	2016	2014	2015	2016
Pharmaceuticals	44.5%	49.1%	48.0%	91.9%	89.7%	92.5%
Physical Therapy	9.4%	8.8%	9.2%	93.9%	92.5%	93.4%
Injections	6.9%	6.8%	7.3%	91.8%	87.3%	89.4%
DME/Prosthetics/Orthotics/Supplies	9.3%	7.8%	7.2%	93.5%	90.0%	91.6%
MRI/CT/PET	3.7%	4.1%	4.4%	89.1%	86.4%	88.5%
Surgery	4.3%	3.6%	3.6%	87.9%	85.9%	89.0%
Diagnostic Tests/ Measurements	4.5%	3.5%	3.5%	87.8%	84.6%	91.3%
Laboratory Services	2.6%	2.7%	3.2%	86.9%	82.9%	88.8%
Acupuncture	2.1%	2.2%	2.2%	94.1%	91.6%	93.6%
Psych Services	2.1%	1.7%	1.8%	85.0%	79.6%	83.2%
Evaluation/Management	1.7%	1.7%	1.7%	78.7%	68.2%	78.9%
Chiropractic Manipulation	1.8%	1.6%	1.7%	95.3%	90.7%	91.9%
Other	7.2%	6.4%	6.3%	89.9%	85.5%	88.1%
Total	100.0%	100.0%	100.0%	91.2%	88.4%	91.2%

Recent data show that opioid use in California workers' comp has declined, but a closer look at the 2016 pharmaceutical IMRs shows it was not for a lack of trying as opioids were once again the number one class of drug submitted for IMR, accounting for 28.5 percent of the prescription drug IMR decisions last year, down only slightly from 29.7 percent in 2015, even though in 9 out of 10 cases the UR decision to modify or deny the opioid request was upheld by the independent medical reviewer, which is consistent with the 2014 and 2015 IMR outcomes. Musculoskeletal therapy drugs were the second most common type of medication that went through IMR last year, accounting for 13.1 percent of the 2016 prescription drug determinations in 2016, though the UR modification or denial of the request was upheld 97 percent of the time. Compounded drug requests (typically for gels and creams) represented a declining share of IMRs last year, as they fell from 8.0 percent of the 2015 determinations to 6.2 percent in 2016. Compounded drug requests have consistently had the lowest IMR overturn rate, with independent medical reviewers finding they were not medically necessary 99 percent of the time in 2014, 2015 and 2016. Among major drug categories, antidepressants, often used for neuropathic pain, had the highest overturn rate, as IMR physicians overruled the UR decision and allowed the antidepressants in about 1 out of 6 cases, though that was down from about 1 in 4 cases in 2014 and 2015.

The IMR process has several stages. After DWC's designated IMR organization (Maximus) receives an IMR application, it must confirm the eligibility of the application; request, receive and process the medical records; and assign an IMR physician to review the UR determination, the physician's reports and any other information noted in the request or the UR decision, then consult the treatment guidelines in the Medical Treatment Utilization Schedule or other applicable guidelines to determine if the service is medically necessary based on the clinical evidence. Maximus has 30 days from the receipt of the medical records to issue a decision letter to the injured worker or their representative explaining the decision and the rationale behind it. An analysis of IMR response times over the 3-year study period shows that the median time elapsed from the date that Maximus received an IMR request to the date a decision letter was issued fell sharply from 2014 to the middle of 2015, and continued to improve in 2016, with monthly results ranging from 36 to 49 days – well below the high point in the second quarter of 2014, when the median response time ranged between 161 to 165 days.

Regional variations in IMR experience in 2016 were similar to the prior two years, as ZIP code data from IMR decision letters show that the volume of decisions remained disproportionately high in Los Angeles County (32.8 percent of the letters vs. 23.6 percent of the medical services) and in the Bay Area (20.1 percent of the letters vs. 15.2 percent of the medical services). Conversely, less populated areas had a disproportionately small share of the IMRs, with residents of the nine northernmost counties receiving 1 percent of the IMR decisions vs. 3.6 percent of the medical services, while residents of the Sierras received 0.9 percent of the IMR decisions vs. 1.7 percent of the medical services. Statewide, the 2016 IMR uphold rate was 91.2 percent with slight regional variation, as uphold rates ranged from 88.7 percent in San Diego to 93.2 percent in Los Angeles County.

Also as in 2014 and 2015, a small number of physicians continued to drive a high percentage of the 2016 IMR requests. The top 1 percent of requesting physicians accounted for 44 percent of the disputed medical services requests that went through IMR last year, with the top 10 medical providers alone accounting for 11.1 percent of the disputed service requests. Of the 1,248 requesting physicians who comprised the top 10 percent in 2016, more than 78 percent (978 individuals) also were in the top 10 percent in 2015, and 7 of the 10 individual medical providers with the highest number of IMR requests in 2015 remained on the top 10 list in 2016.

CWCI has published its IMR study in a Spotlight Report, "Independent Medical Review Decisions, January 2014 – December 2016," which CWCI members and subscribers can access in the Research section at www.cwci.org. Others may purchase the report for \$24 from the Institute's online store at www.cwci.store.

BY/
Copyright 2017 California Workers' Compensation Institute

CWCI members may log in to www.cwci.org to view Bulletins and Research Reports. Nonmembers with subscriptions may log in under Resources (subscriber files). Public information is also on the website and nonmembers may order Bulletin/Research subscriptions from the online store.