



BULLETIN

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In recent years, there has been growing concern that a declining number of state-certified Qualified Medical Evaluators (QMEs) in the California workers' comp system is making it difficult to schedule timely medical-legal evaluations, which in turn is delaying the resolution of disputes over issues such as the extent of an injured worker's impairment.

According to anecdotal reports, the scarcity of QMEs is most severe in certain medical specialties and in outlying areas. To examine the issue, a new CWCI study tracks changes in the composition of the QME population in terms of medical specialty representation and geographic availability by comparing data on medical providers certified as QMEs by the Division Workers' Compensation in 2012 and in 2017. The data used in the analysis includes the providers' location (by county), the number of offices in which they performed medical-legal evaluations, and their medical specialty. In addition, to examine changes in the level of services rendered by evaluators, the study uses data from CWCI's Industry Research Information System database on claims in which medical-legal services were rendered from 2007 through June 2017 to identify the mix of services, average amounts paid for all medical-legal services and for specific levels of medical-legal service; and the proportion of evaluations provided by Agreed Medical Evaluators (AMEs) vs. QMEs. Among the key findings:

- The total number of panel-qualified medical evaluators showed a net decline of 20 percent between January 2012 and September 2017. Of the 3,239 physicians listed as eligible for QME panel selection in 2012, 1,244 discontinued their QME certification between 2012 and 2017 (either voluntarily or involuntarily), while 398 physicians who were not on the 2012 list were added by September 2017.
- The impact of the 20 percent decline in the number of certified evaluators on QME accessibility was offset to some extent by an increase in the median number of office locations per QME, which doubled from one to two. As a result, the total number of evaluation locations only declined by 14 percent.
- Chiropractors accounted for about one out of five panel-qualified QMEs in both 2012 and 2017, making them the largest specialty group in the QME population in both years, but chiropractors accounted for only 5.1 percent of the medical-legal services in 2012 and 6.7 percent in 2017. In contrast, orthopedic surgeons represented about one out of six QMEs in both 2012 and 2017, but they provided more than half of all medical-legal services in both years.
- The distribution of medical-legal services by QME specialty shows that in both 2012 and 2017, orthopedic surgeons, spine specialists or chiropractors, or mental health specialists together accounted for about 70 percent of all medical-legal services. The review of the injured workers' ZIP codes and the certified QME office locations found that more than 85 percent of injured workers who requested these specialists had access to five or more QMEs in those specialties within a 30-mile radius of their home.
- About 75 percent of medical-legal services in 2012 and 2017 were provided by QMEs rather than AMEs.

- A review of the medical-legal report trends shows that after increasing steadily for 7 years, the number of comprehensive (ML104) evaluations – the most detailed and costly reports – began to level off in 2015.
- Payments for time-based supplemental medical-legal evaluations and supplemental reports continue to increase, rising 102.7 percent and 161.9 percent, respectively between 2007 and June 2017, while payments for missed medical-legal appointments increased 31.6 percent.
- The proportion of medical-legal services related to mental health declined from 2012 to 2017 (psychiatry by 4.1 percent, psychology by 1.6 percent) while services by pain management specialists increased 4.4 percent.
- Management groups providing support services to physicians performing medical-legal evaluations have become more prevalent in recent years, with 10 management groups more than doubling their combined share of medical-legal services from 2012 to 2017 (from 8.9 percent to 19.1 percent).

While the QME data from the study quantify the decline in the number of panel-qualified medical evaluators since 2012, it also points to a doubling of the median number of offices per QME, which partially offsets the impact that the decline in QMEs has had on evaluator accessibility. On the other hand, it also indicates that many certified QMEs are rarely used, and the distribution by medical specialty reveals that relative to demand, chiropractors represent a disproportionate share of the panel-qualified QMEs, while orthopedic surgeons, who continue to generate half of all medical-legal evaluations, make up only 1/6 of all certified QMEs. Thus, even though the study found that overall QME accessibility independent of medical specialty is proportional to demand, and that 95 percent of injured workers who requested an orthopedic evaluation had at least five panel-qualified orthopedic surgeons within a 30-mile radius of their home, including QME specialty in the demand equation does explain many of the reported delays.

As for the recent medical-legal report trends, the study notes that after increasing steadily from 2007 through 2014, average medical-legal payments leveled off in 2015 and 2016, with data from the first half of 2017 suggesting they may now be declining. While the results document significant increases in the average payments for the various time-based medical-legal services over the past decade, they also link the recent reductions in average medical-legal payments to the changing mix of medical-legal services. The data show that since 2014, less expensive basic reports and supplemental reports have accounted for a larger share of all medical-legal evaluations, while the most complex and expensive reports have accounted for a smaller share.

Full results of the Institute study have been released in a CWCI Research Update report, “Changes in the QME Population and Medical-Legal Trends in California Workers’ Compensation,” which is available in the Research section of the Institute’s website at www.cwci.org.

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