



BULLETIN

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CWCI's latest analysis of California workers' comp independent medical review (IMR) outcomes finds little change in the rate at which IMR physicians uphold utilization review (UR) denials and modifications of treatment, though for the first time both the number of IMR determination letters and individual service decisions did edge down slightly last year.

For its analysis, the Institute examined data from 648,450 IMR final determination letters issued from January 2014 through December 2017 by physician reviewers who conducted IMRs in response to denials or modifications of medical service requests for injured workers. That data was used to track the latest trends 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 2017 IMRs associated with the top 10 percent of medical providers with the highest volume of disputed medical service requests.

The Division of Workers' Compensation (DWC) reports that after increasing from 143,983 determination letters in 2014 to 176,002 letters in 2016, the number of IMR letters fell by 2.2 percent in 2017 to 172,194 letters, the first year-to-year decline since IMR took effect five years ago. CWCI's review of the decisions contained in those letters showed that just as in 2015 and 2016, about 40 percent of the 2017 letters included determinations on multiple service requests, for a total of 310,415 decisions on primary medical service requests, which was 1.2 percent fewer decisions than were included in the 2016 letters. Pharmaceutical requests remain the number one type of service submitted for IMR, accounting for 46 percent of all medical services sent through IMR last year, though the outcomes showed little change, with 92 percent of these disputed drug requests determined medically unnecessary by both the UR and the IMR physicians. The table below shows the breakdowns for the 2014 – 2017 IMR decisions as well as the uphold rates by type of service request.

2014-2017 California WC IMR Distribution & Uphold Rates by Medical Service Category

Category of Medical Service Requested	% of Service Requests				% Upheld			
	2014	2015	2016	2017	2014	2015	2016	2017
Pharmaceuticals	44.5%	49.1%	47.9%	46.0%	91.9%	89.7%	92.6%	92.0%
Physical Therapy	9.4%	8.8%	9.3%	10.2%	93.9%	92.5%	93.5%	94.0%
Injections	6.9%	6.8%	7.3%	7.9%	91.8%	87.3%	89.4%	89.5%
DME/Prosthetics/Orthotics/Supplies	9.3%	7.8%	7.2%	7.1%	93.5%	90.0%	91.7%	92.2%
MRI/CT/PET	3.7%	4.1%	4.4%	4.4%	89.1%	86.4%	88.6%	89.3%
Surgery	4.3%	3.6%	3.6%	3.8%	87.9%	85.9%	89.0%	91.2%
Diagnostic Tests/ Measurements	4.5%	3.5%	3.5%	3.2%	87.8%	84.6%	91.4%	91.4%
Laboratory Services	2.6%	2.7%	3.2%	3.1%	86.9%	82.9%	88.8%	86.6%
Acupuncture	2.1%	2.2%	2.2%	2.4%	94.1%	91.6%	93.6%	94.0%
Evaluation/Management	1.7%	1.7%	1.7%	1.6%	78.7%	68.2%	79.0%	79.2%
Chiropractic Manipulation	1.8%	1.6%	1.7%	1.6%	95.3%	90.7%	91.9%	93.8%
Psych Services	2.1%	1.7%	1.7%	1.6%	85.0%	79.6%	83.3%	82.7%
Other	7.2%	6.4%	6.4%	7.2%	89.9%	85.5%	88.1%	88.7%
Total	100%	100%	100%	100%	91.2%	88.4%	91.2%	91.2%

The 2017 data show that opioids remained the number one class of drug submitted for IMR last year, accounting for 29.1 percent of all 2017 prescription drug IMR decisions, up slightly from 28.3 percent in 2016, even though UR decisions to modify or deny opioid requests continued to be upheld by IMR in more than 90 percent of the cases. Musculoskeletal therapy drugs remained the second most common type of medication that went through IMR last year, accounting for 12.8 percent of all 2017 prescription drug determinations, though the UR modification or denial of the request was held steady at about 97 percent. Requests for dermatological drugs (typically for gels and creams) increased to 11.4 percent of all IMRs last year, up from 10.7 percent in 2016 and 9.8 percent in 2015, though the uphold rate for the modifications or denials of these requests increased from 99.4 percent in 2016 to 96.4 percent last year. Once again, compound drug requests had the highest IMR uphold rate, as IMR confirmed the UR determination that the compounded drug request was not medically necessary 99.2 percent of the time in 2017. On the flip side, antidepressants, often used for neuropathic pain, again had the highest overturn rate, as IMR physicians overturned the modification or denial of an antidepressant request in about 18 percent of the cases.

IMR unfolds in 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, physician's reports and any other information noted in the request or the UR decision, then consult the Medical Treatment Utilization Schedule or other applicable guidelines to determine if the service is medically necessary based on the clinical evidence. Up to 20 days are allowed for receipt of the medical records, after which Maximus has 30 days to issue a decision letter to the injured worker or their representative. The median time from the date that Maximus received an IMR request to the date a decision letter was issued fell sharply from 2014 to mid-2015, and continues to decline, with quarterly results for 2017 showing the median ranged from 32 to 35 days vs. 36 to 48 days in 2016, with both those results well below the record highs of 2014, when the median response time ranged from 56 to 162 days.

The ZIP codes on the IMR letters show the volume of decisions remains disproportionately high in Los Angeles County (32.5 percent of the letters vs. 20.7 percent of the medical services) and in the Bay Area (21.8 percent of the letters vs. 16.3 percent of the medical services). Conversely, less populated areas continue to account for a disproportionately small share of IMRs, with workers in the nine northernmost counties receiving 0.9 percent of the IMR decisions vs. 2.4 percent of the medical services, and residents of the Sierras receiving 0.9 percent of the IMR decisions but 2.1 percent of the medical services. Statewide, the 2016 IMR uphold rate was 91.2 percent with uphold rates ranging from 89.5 percent in the Central Coast to 93.1 percent in Los Angeles County.

The data also show that a small number of physicians continue to account for a disproportionate share of the disputed medical requests that went through IMR in 2017. The top 1 percent of requesting physicians (115 individuals) accounted for 45 percent of the IMR requests in 2017, with the top 10 individual medical providers alone accounting for 12.1 percent of the disputed requests – and 9 out of 10 of those providers had also been on the top 10 list in 2016.

CWCI has published its IMR study as a Research Update Report, "Independent Medical Review Decisions, January 2014 – December 2017," 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 [Store](#).

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