



BULLETIN

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The number of California workers' compensation Independent Medical Review (IMR) decision letters issued in the first half of this year rose 4.4 percent compared to the first half of last year, while the average number of treatment decisions in those letters held steady at 1.8, and once again, IMR physicians upheld the utilization review (UR) determination in more than 90 percent of the cases.

State lawmakers mandated the adoption of the IMR process as part of SB 863, the workers' compensation reform bill signed by Governor Brown in 2012, so that if a UR physician modified or denied a workers' comp medical service request the injured worker could dispute the decision and have an independent physician review their records and other submitted evidence and either uphold or overturn the UR decision. The Medical Treatment Utilization Schedule (MTUS) adopted by the state provides treating and reviewing medical providers with evidence-based treatment guidelines to ensure that the care provided to injured workers is appropriate and effective, and to protect them from unnecessary and potentially harmful tests, surgeries, drugs and procedures. Once an IMR is complete, Maximus Federal Services, the organization contracted by the state to manage the process, issues a determination letter to the injured worker or their representative.

IMR took effect for all California workers' compensation claims in July 2013, and in 2014 CWCI began a series of studies to monitor IMR outcomes using data compiled from the determination letters issued by Maximus. The latest study compares data from IMR determination letters issued in prior years to data from letters issued in the first half of 2018. The tally of letters issued from January through June of this year shows a total of 89,843 letters, which was up from 86,061 letters issued during the same period last year (+4.4 percent). As in the past, about 40 percent of those letters included decisions on multiple service requests, and on average the letters contained 1.8 primary treatment decisions per letter – a rate that has not changed since 2016.

CWCI's analysis of the decision letters from the first half of this year found that in 90.1 percent of the cases, the IMR physician upheld the UR physician's determination that the requested service was not supported by the treatment guidelines, while in just under 10 percent of the letters the UR decision was overturned and the medical request was approved. As noted below, the overall uphold rate tracks closely with the results from each of the prior three years, though as in the past, uphold rates varied by the type of service requested, ranging from a low of 77.8 percent for psychological services to 93.0 percent for acupuncture.

IMR Distribution & Uphold Rates by Medical Service Category, Jan. 2015 – June 2018

	2015	2016	2017	2018-06	2015	2016	2017	2018-06
Service Requested	% of Service Requests				% Upheld			
Pharmaceuticals	49.0%	48.0%	46.0%	46.3%	89.7%	92.6%	92.0%	90.7%
Physical Therapy	8.9%	9.2%	10.2%	10.2%	92.6%	93.5%	94.0%	92.8%
Injections	6.7%	7.3%	7.9%	8.1%	87.3%	89.5%	89.5%	89.6%
DME/Prosth/Ortho/Supplies	7.9%	7.3%	7.1%	7.3%	90.1%	91.7%	92.2%	91.2%
MRI/CT/PET	4.1%	4.4%	4.4%	4.3%	86.5%	88.7%	89.3%	87.9%
Surgery	3.6%	3.5%	3.8%	3.6%	86.1%	88.8%	91.1%	90.8%
Diagnostic Test / Measure	3.4%	3.5%	3.2%	3.2%	84.5%	91.4%	91.5%	90.6%
Laboratory Services	2.7%	3.2%	3.1%	2.6%	83.0%	88.8%	86.6%	84.3%
Acupuncture	2.2%	2.2%	2.4%	2.6%	91.6%	93.5%	93.9%	93.0%
Chiropractic Manipulation	1.6%	1.7%	1.6%	1.6%	90.6%	92.0%	93.8%	92.5%
Psych Services	1.7%	1.7%	1.6%	1.5%	79.7%	83.3%	82.6%	77.8%
Evaluation and Management	1.7%	1.7%	1.6%	1.5%	68.4%	79.0%	79.1%	78.7%
Other	6.4%	6.3%	7.2%	7.2%	85.7%	88.1%	88.6%	87.6%
Total	100.0%	100.0%	100.0%	100.0%	88.5%	91.2%	91.2%	90.1%

New opioid and pain management guidelines took effect late last year, and the workers' compensation formulary took effect on January 1, 2018, but results from the first half of this year suggest there may be a learning curve, as disputes over pharmaceutical requests continue to account for the single largest share (46.3 percent) of IMRs. IMR physicians upheld the UR denials or modifications of prescription drug requests 90.7 percent of the time. In addition to the large share of IMRs involving prescription drug requests, the distribution of IMRs involving other medical services showed little change, as requests for physical therapy; injections; DME; and MRIs, CTs, and PET scans again rounded out the top five IMR service categories. Uphold rates for these medical service categories ranged between 87.9 percent and 92.8 percent.

A closer look at the prescription drug IMRs shows that opioid requests topped the list, representing 32.3 percent of all pharmaceutical IMRs in the first half of this year (vs. 29.7 percent in 2017), though the uphold rate barely budged, as IMR physicians concurred with 90.9 percent of the UR denials or modifications of opioid requests. Musculoskeletal therapy drugs ranked second (13.9 percent of pharmaceutical IMRs, with a 96.2 percent uphold rate); followed by dermatologicals, which comprised 10.2 percent of the prescription drug IMRs and had a 95.1 percent uphold rate; and anti-inflammatories (8.3 percent of the pharmaceutical IMRs, with an 86.4 percent uphold rate). Anticonvulsants and antidepressants represented an increasing share of the prescription drug IMRs in the first half of 2018, and uphold rates for both categories showed relatively large declines (5.2 and 4.1 percentage points, respectively), which coincided with the changes in the MTUS, including the new opioid and chronic pain guidelines, and the implementation of the formulary. Other than the anticonvulsants and antidepressants, uphold rates for all other drug categories were relatively stable, registering no more than a 2 percentage point change from the level noted in 2017. Meanwhile, the study also confirmed that IMR activity involving compounded drugs has dropped sharply in recent years, with compounded drug disputes declining from 8.5 percent of pharmaceutical IMRs in 2015 to just 2.1 percent in the first half of 2018. This decline may be related to the consistently high IMR uphold rates of the UR denials or modifications of such requests, which have remained over 99 percent for all periods in the study.

As in prior studies, a high percentage of the recent IMR requests were linked to a small number of high-volume providers, many of whom have been associated with a high volume of IMR requests in the past. The top 10 percent of requesting physicians named in the IMR letters from the 12 months ending in June 2018 accounted for 86 percent of all IMR disputed service requests during that period, while the top 1 percent (119 providers) accounted for 44 percent of the disputed requests. Furthermore, the 10 doctors identified in the highest number of IMR decision letters in the first half of 2018 were linked to 14,981 service decisions during that 6-month period – 9.4 percent of the total – and 7 of these 10 doctors were on the top 10 list in 2017 as well.

The IMR distribution by region also showed little change, as IMR volume continued to be disproportionately high in Los Angeles and the Bay Area, which together accounted for 52.8 percent of the IMR decisions in the first six months of this year, but only 40.4 percent of paid medical services in the California workers' compensation system. On the other hand, IMR remained disproportionately low in rural and agricultural regions of the state, most notably in the Central Valley, which accounted for 18.8 percent of all IMR decisions, but 24.2 percent of the medical services.

A review of IMR timeliness shows that in the first half of 2018 IMR responses were usually well within the 50 days allotted for Maximus to confirm the eligibility of an IMR application; request, receive and process the medical records; assign an IMR physician; and complete the review. The median number of days from receipt of an IMR application to issuance of a decision letter was 31 days in the first quarter and 34 days in the second quarter, while 75 percent of first quarter decisions were rendered within 37 days and 75 percent of second quarter decisions were rendered within 38 days.

CWCI's has issued its latest analysis of IMR outcomes in a Research Update Report, "Independent Medical Review Decisions: January 2014 Through June 2018." CWCI members and research subscribers can sign in to access the report at www.cwci.org, while others may purchase the report from the Institute's online store at www.cwci.org/store.html.

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