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BULLETIN

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New CWCI research shows that the number of independent medical review (IMR) determination letters issued in response to California workers' compensation medical disputes, and the number of medical care decisions in those letters, fell sharply in 2019, fueled by a sharp decline in prescription drug disputes, with data from the first quarter of this year showing the decline is continuing.

The CWCI analysis of IMR outcomes is based on data from more than 1 million IMR final determination letters issued from January 2014 through March 2020 by physician reviewers who conducted IMRs in response to denials or modifications of treatment requests for California injured workers. The new report is the latest in a series of Institute studies that determine:

- changes in the volume, timeliness, and regional distribution of IMRs
- the number, mix, and uphold rates for medical services that were reviewed
- the distribution and outcomes of pharmaceutical IMRs by drug category
- the percentage of 2019 IMRs associated with the medical providers who had the highest volume of disputed medical service requests
- the distribution of pharmaceutical vs. non-pharmaceutical IMRs by claim age, and
- the estimated percentage of pharmaceutical, physical therapy, acupuncture, and chiropractic IMRs submitted solely on the basis of a Utilization Review (UR) doctor's reduction in the number of services allowed, even though provision of the initial or trial service was approved.

In adopting the IMR process, state lawmakers expected IMR volume would decline over time as providers became familiar with the treatment guidelines, but the number of IMR determination letters increased steadily after the program became mandatory in 2014 -- the only exception being a modest 2.6% decline in 2017. The 2019 tally, however, shows IMR letter volume finally did drop sharply, falling to a five-year low of 163,899, down 11.3 percent from 2018, while the count from the first quarter of this year shows that decline has continued, as the letter count from the first three months of 2020 fell 4.9 percent below the total from the corresponding period of 2019, dropping to a 5-year low of 38,981. The regional data show the volume of IMR letters was highest in Los Angeles County and the Bay Area, which together accounted for 52 percent of the 2019 letters, though year-to-year declines in letter volume were noted in all 7 regions of the state. The biggest reduction in letter volume was in the Bay Area, where the 2019 total was down by about 6,200 letters, a decline of more than 14 percent, though the sparsely populated Northern Counties and Sierras showed the biggest percentage decline (26.3 percent).

The latest results also noted continued improvement in IMR response times. The median number of days from the receipt of an IMR application and the medical records to the issuance of a decision letter fell to a new low of 26 days in 2019, down from a median of 32 days in 2018, with 25 percent of last year's determination letters sent within 24 days, and 75 percent issued within 29 days, all of which are well within the statutory requirement.

As in prior years, the study found that a relatively small number of physicians who request a high volume of services that go through IMR are continuing to drive much of the IMR activity, as the top 1% of requesting physicians (106 doctors) accounted for 41.2 percent of all disputed service requests sent through IMR in 2019.

The top 10 individual providers with the highest IMR volume, which included specialists in physical medicine/rehab, pain management, orthopedics, and one general practitioner, accounted for 9.9 percent of the disputed requests determined by IMR – a total of 14,820 letters and 25,956 service decisions. Furthermore, a comparison of the top 10 provider lists from 2018 and 2019 found that 6 of the 10 individual providers with the highest number of IMR requests in 2018 remained on the top 10 list in 2019.

The IMR outcomes data show uphold rates holding steady as IMR physicians upheld 88.2 percent of the UR decisions they reviewed in 2019, compared to 88.6 percent in 2018, and 88.5 percent in the first quarter of 2020, while in about 11 to 12 percent of the UR decisions since 2018 the IMR physicians overturned the UR decisions and found the service medically necessary and appropriate for the injured worker. The outcomes data broken out by medical service category show that last year uphold rates ranged from 74.9 percent for evaluation/management services to 89.7 percent for acupuncture; physical therapy; and durable medical equipment, prosthetics, and supplies. At the same time, the mix of services reviewed by IMR physicians in 2019 showed prescription drug requests continue to top the list, accounting for 41.1 percent of last year's IMRs (and 30.9 percent of those were for opioids), though that was down from 46.4 percent in 2018 and down from nearly half of all IMRs in 2015, which preceded the adoption of new opioid and chronic pain guidelines in late 2017 and the implementation of the workers' compensation prescription drug formulary in January 2018. Pharmacy requests as a percent of IMRs have continued to decline, falling to 39.9 percent of the determinations in the first quarter of this year. Physical therapy (12.6 percent); injections (10.6 percent); DME/Prosthetics/Orthotics and supplies (8.2 percent); and MRIs, CT scans and PET scans (4.9 percent) rounded out the top five medical service categories for 2019 IMR disputes.

A look at the relationship between claim age and the types of services submitted to IMR showed that as claims get older prescription drugs account for a much greater share of the disputes that undergo IMR, while other services represent a declining share. For example, among the 2019 IMR decisions, prescription drug requests accounted for just 21.7 percent of the disputed services on first-year claims, but 57.5 of the IMRs on claims older than 11 years. The age of many of the claims that involve prescription drug IMRs suggests that in many of cases providers are continuing to request opioids for injured workers with chronic pain, even though using opioids to treat chronic pain runs counter to the Medical Treatment Utilization Schedule (MTUS) guidelines. As previously noted, opioids remain the number one type of drug request submitted for IMR, accounting for 30.9 percent of all prescription drug IMRs in 2019, despite the fact that more than 90 percent of UR denials or modifications of opioid requests continue to be upheld by IMR.

Under current policies, any UR modification of a medical service can be submitted to IMR -- including modifications where the UR physician approved the medical necessity of a service but reduced the requested quantity to levels consistent with the MTUS. Certain types of medical service requests (*i.e.,* physical therapy, chiropractic manipulation, acupuncture, and prescription drugs) tend to receive these types of modifications. A common example is when a provider requests eight physical therapy (PT) visits, but the UR reviewer only approves six, since the guidelines for most PT other than post-operative cases typically call for a six-visit trial period to see if the treatment is helpful. In this case, the provider can make the request for the additional visits after determining if the PT is beneficial. In 2019, the study found that about 22.4 percent of pharmaceutical IMRs, 17.9 percent of physical therapy IMRs, 17.8 percent of chiropractic IMRs, 7.0 percent of the DMEPOS IMRs and 26.5 percent of the psych IMRs had been submitted solely on the basis of a reduction in the number of services allowed that was made in order to stay within the MTUS guidelines, even though provision of the initial or trial service was approved. This results indicate that a significant amount of time and resources are being expended on these types of modifications, which as in the 2019 study, suggests this is one area where public policymakers may want to consider whether it is appropriate for these types of modifications to remain eligible for IMR review.

The Institute has published a more detailed report on the latest IMR analysis, including background information and graphics, in a Research Update Report, "Independent Medical Review Decisions, January 2014 Through March 2020," which is available for free in the Research section at www.cwci.org.

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