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BULLETIN

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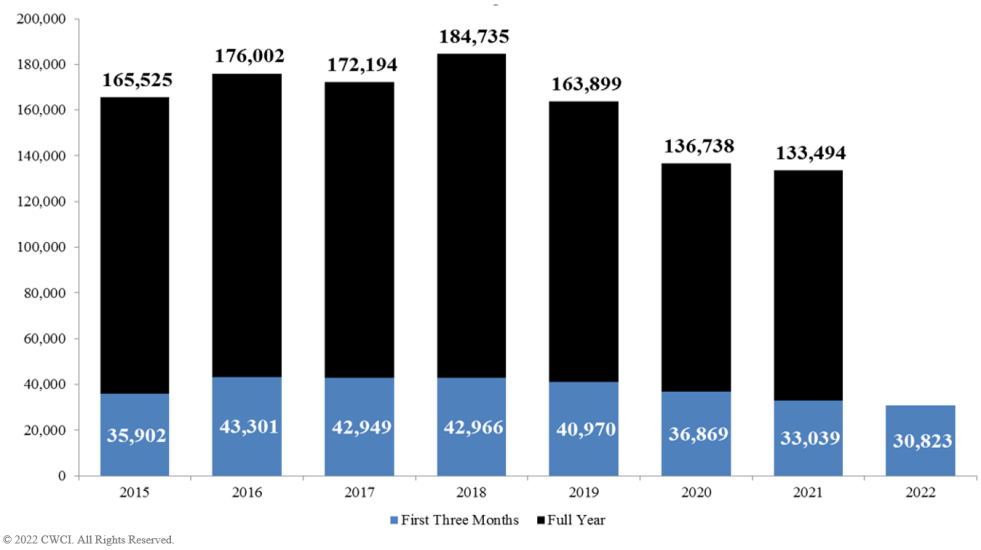
New CWCI research shows that the number of independent medical review (IMR) determination letters issued in response to California workers' compensation medical disputes fell to a new low in 2021, largely due to the ongoing decline in prescription drug disputes and a statewide decline in claim volume during the first year of the pandemic, with data from the first quarter of 2022 showing that the decline in IMR is continuing.

CWCI's review of IMR outcomes is based on data from nearly 1.2 million IMR final determination letters issued from January 2015 through March 2022 by physician reviewers who conducted IMRs in response to denials or modifications of treatment requests for California injured workers. The research is part of the Institute's ongoing series that measures:

- changes in the annual, quarterly, and monthly volume of IMRs
- changes in the mix and uphold rates for medical services that are reviewed
- the distribution and uphold rates of pharmaceutical IMRs by therapeutic drug group
- the number and percentage of IMR letters and medical service decisions associated with the 10 medical providers with the highest volume of disputed medical service requests
- the uphold rates for IMRs submitted by the top 10 medical providers, and
- the percentage of disputed service requests submitted by the top 10, top 25, top 50, top 1%, and top 10% of medical providers with the highest volume of disputed service requests.

When state lawmakers first adopted the IMR process for resolving workers' compensation medical disputes they expected IMR volume to decline as providers became familiar with treatment guidelines, but for the first several years the number of IMR determination letters increased steadily -- the only exception being a modest 2.2% decline in 2017. It was not until 2019 that IMR letter volume finally did drop sharply, falling by 11.3% to 5-year low of 163,899, with the annual letter counts subsequently declining another 16.6% to 136,738 in 2020 (the initial year of the pandemic), followed by a 2.4% decline to 133,494 letters in 2021.



The new data from the first quarter of this year shows the decline in IMR is continuing, as the letter count from the first three months of 2022 was down 6.7% from the corresponding period of 2021, falling to a record low 30,823, with the 9,555 letters issued in February representing the lowest monthly output in the past four years.

Breaking the results out by type of medical service request shows that since 2018, IMR letter counts have been down across all medical service categories. However, much of the overall decline reflects the reduction in pharmaceutical disputes that occurred after the state incorporated the Chronic Pain and Opioid Guidelines into the Medical Treatment Utilization Schedule (MTUS) in late 2017 and implemented the MTUS Prescription Drug Formulary in January 2018. The formulary established categories of drugs that were Exempt from prospective UR; Non-Exempt (subject to prospective UR); or Not Listed; as well as subcategories of Non-Exempt drugs (Special Fill and Perioperative) that allow for special circumstances or pre- and post-operative situations in which physicians can prescribe limited amounts of certain drugs that would otherwise be subject to prospective UR and IMR. Following those changes, prescription drug disputes declined from 47.3% of all IMRs in 2017 to 34.9% of all IMRs in 2021, with the most recent update showing pharmaceutical disputes down to 34.1% in the first quarter of 2022. The distribution of prescription drug IMRs by therapeutic drug group traces much of that decline to a reduction in opioid disputes, which fell from nearly a third of pharmaceutical IMRs in 2018 to just over a quarter of the prescription drug IMRs in 2021 and the first quarter of this year.

With prescription drug disputes representing a declining share of the IMRs over the past 7 years, disputes involving requests for several other types of services have accounted for an increased share of the IMRs. Between 2015 and the first quarter of 2022, the biggest percentage increases have been in physical therapy, which went from 8.7% to 13.7% of the IMRs; injections, which went from 7.0% to 12.6%; and acupuncture, which went from 2.2% to 4.3%. The overall IMR uphold rate since 2015 has been remarkably stable, ranging from 88.2% to 92.0%, and in the first quarter of this year it was 91.9%. As always, the results vary by medical service category, with uphold rates from the first three months of this year ranging from a low of 81.4% for requests involving evaluation and management and psych services to a high of 95.9% for injection requests.

The IMR determination letters include the name of the medical provider who requested the disputed service, and a review of that data shows that a small number of physicians who request a high volume of disputed services continue to drive much of the IMR activity. For the 12-month period ending on March 31 of this year, the top 1% of requesting physicians (82 doctors) accounted for 39.9% of all disputed service requests sent through IMR within the last year. During this same period the top 10 individual providers with the highest IMR volume accounted for 10.6% of the disputed requests determined by IMR – a total of 13,557 letters and 21,719 service decisions. The breakdown of the top 10 providers by specialty shows 8 were pain management specialists, one was an orthopedist, and one was a general practitioner. Notably, 6 of the providers on the top 10 list had practices in Northern California, while 4 were in Southern California or other parts of the state. Furthermore, a comparison of the top 10 provider lists from a year earlier shows 8 of the 10 individual providers with the highest number of IMR requests in the prior year were still on the top 10 list in the latest analysis.

The Institute has posted additional results from its latest review of IMR activity on our website (www.cwci.org). CWCI members can access those results by logging on to our website using their log-in and password information, then going to the drop-down menu under the Research tab at the top of the home page and clicking “Independent Medical Review.”

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