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BULLETIN

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New CWCI research finds that treatment patterns for professional medical services in California workers' compensation have stabilized in recent years, with only minor changes in the utilization rates and the volume of services rendered to injured workers within the first two years for claims with and without major surgery with 2014 through 2019 initial treatment dates, and within the first six months for claims with 2018 through 2021 initial treatment dates.

Using data from CWCI's Industry Research Information System (IRIS) database the authors analyzed professional medical services from indemnity claims to determine the percent of claims that involved a major surgery within two years of the initial treatment date. They then tracked the share of claims with and without major surgery from each of the initial treatment years that utilized services from the following five treatment categories at the 24-month benchmark:

- Evaluation and Management (E&M) services, including office visits, emergency department, and inpatient care;
- Physical Medicine, which encompassed physical therapy, chiropractic care, and acupuncture;
- Advanced Imaging, which included CT scans, PET scans, and MRIs;
- Mental Health Services such as psychotherapy and psychological testing; and
- Injection Services, which included injections used for either diagnostic or treatment purposes.

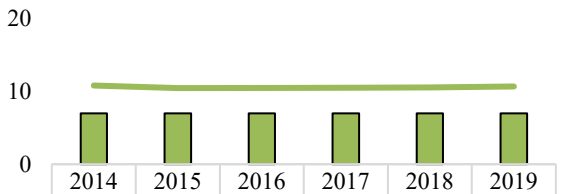
In addition, to assess the impact of the pandemic on early treatment patterns, the study used a sample of non-COVID indemnity claims with 2018 to 2021 treatment start dates to compare professional medical service utilization before and after the pandemic was declared in 2020. This part of the analysis examined the percent of claims that received Physical Medicine, Mental Health, Advanced Imaging, and Injection services at the six-month benchmark for each of the four initial treatment years, as well as the average number of E&M, Physical Medicine, and Mental Health visits.

The study notes that prior to the implementation of Independent Medical Review (IMR), the elimination of duplicative fees for spinal hardware, and a 2013 FBI sting that led to the sale of the Pacific Hospital of Long Beach, which had been the number one hospital in California for workers' compensation spinal surgeries, nearly a third of all indemnity claims in the state involved a major surgery within the first two years of treatment. But for claims with 2014 treatment start dates, that percentage dropped to 28 percent, and over the subsequent five years, it steadily declined by about 1 percentage point per year, falling to 23 percent for indemnity claims with initial treatment in 2019.

The breakdown of results for the various professional medical service categories within the first 24 months of treatment found that across the 6-year study period, claims with major surgery averaged about 7 to 9 more E&M visits than those without major surgery, which was not surprising given the more serious nature of the surgical claims. In both cases, however, the average and median number of E&M visits showed only slight fluctuations. The median number of E&M visits for claims without major surgery remained stable at 7 visits, and the average number of visits ranged from 10.5 to 10.8; while among surgical claims the median number of E&M visits at 24 months varied between 15 and 17 visits, with the average ranging between 17.7 and 19.6 visits.

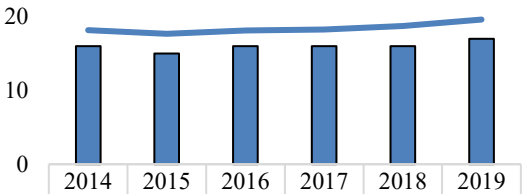
Evaluation and Management – Visits per Claim within 24 Months

Without Major Surgery



	2014	2015	2016	2017	2018	2019
Median	7	7	7	7	7	7
Average	10.8	10.5	10.5	10.5	10.5	10.7

With Major Surgery



	2014	2015	2016	2017	2018	2019
Median	16	15	16	16	16	17
Average	18.2	17.7	18.1	18.2	18.7	19.6

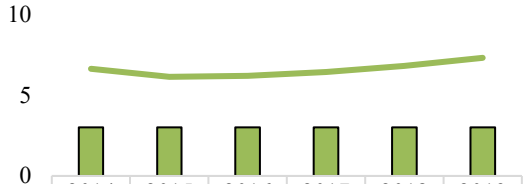
The use of Physical Medicine services within the first two years of treatment also showed little variation across the study period. Among claims without major surgery from initial service years 2014 through 2019, 62 to 65 percent had at least one Physical Medicine visit at the 24-month benchmark, while among the surgical claims that rate ranged from 84 to 85 percent. For each of the initial treatment years, the average number of Physical Medicine visits was more than twice as high for surgical claims than for claims without major surgery, but in both cases the average number of visits showed little variation, ranging from 12.6 to 13.1 visits for claims without major surgery and from 25.8 to 26.5 visits for surgical claims. The median number of Physical Medicine visits in the first two years also showed little change for both claim populations, ranging from 9 to 10 visits for claims without major surgery and from 23 to 24 visits for the surgical claims. However, in this case, the median number of visits for the surgical claims was closer to 2.5 times the median for the claims without major surgery.

The study also noted stable utilization rates for Advanced Imaging services, Injections, and Mental Health services. Among indemnity claims without major surgery from initial service years 2014 through 2019, 40 to 42 percent had Advanced Imaging services within the first 2 years, while the rate was 61 to 64 percent for surgical claims, where the highest rate (64 percent) held steady across the three most recent years. Likewise, 24-month utilization rates for Injection Services also showed little change, coming in at 17 to 18 percent for claims without major surgery claims across all six of the initial treatment years, and from 49 to 50 percent for surgical claims.

As for Mental Health services, 5 to 6 percent of the claims without major surgery in the study sample had psychotherapy or psychological testing at the two-year benchmark, which was just slightly below the rate for surgical claims, where Mental Health service utilization ranged from 6 to 7 percent. The median number of Mental Health visits for claims without major surgery at 24 months held steady at 3 visits across all six initial visit years, while the average number of visits was consistently more than twice the median, ranging between 6.1 and 7.3 visits. Among the surgical claims, the median number of Mental Health visits at 24 months showed greater variation, ranging between 3 and 5 visits, while the average ranged between 6.5 and 7.9 visits. The relatively wide spread between the median and average number of Mental Health visits indicates that both types of claims had a significant number of outlier claims in which the number of Mental Health visits was well above average.

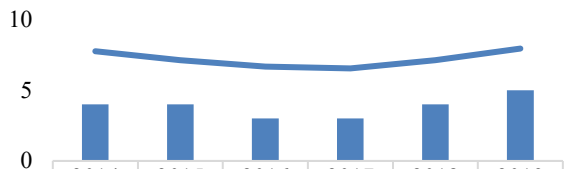
Mental Health – Visits per Claim within 24 Months

Without Major Surgery



	2014	2015	2016	2017	2018	2019
Median	3	3	3	3	3	3
Average	6.6	6.1	6.2	6.4	6.8	7.3

With Major Surgery



	2014	2015	2016	2017	2018	2019
Median	4	4	3	3	4	5
Average	7.7	7.1	6.7	6.5	7.1	7.9

The six-month data on claims from initial treatment years 2018 through 2021 indicate that pandemic-related disruptions on medical service delivery did not have a significant effect on the prevalence or volume of early treatment provided. For example, despite the pandemic, the Physical Medicine utilization rate for claims without major surgery in the first half year of care held steady at 63 to 64 percent, while among surgical claims the average number of E&M visits edged up from 7.4 to 7.5 between initial visit years 2019 and 2020 before moving back down to 7.2 in 2021 – a pattern of minor fluctuations that was also noted in the average number of Physical Medicine and Mental Health visits.

To provide a detailed look at how the use of workers' compensation professional medical services changed from 2014 to 2019, the Institute has published a Research Update report, **"Patterns in the Provision of Professional Medical Services in California Workers' Compensation"** that includes additional exhibits and analyses for individual service categories. The report is available in the Research section at www.cwci.org.

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