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BULLETIN

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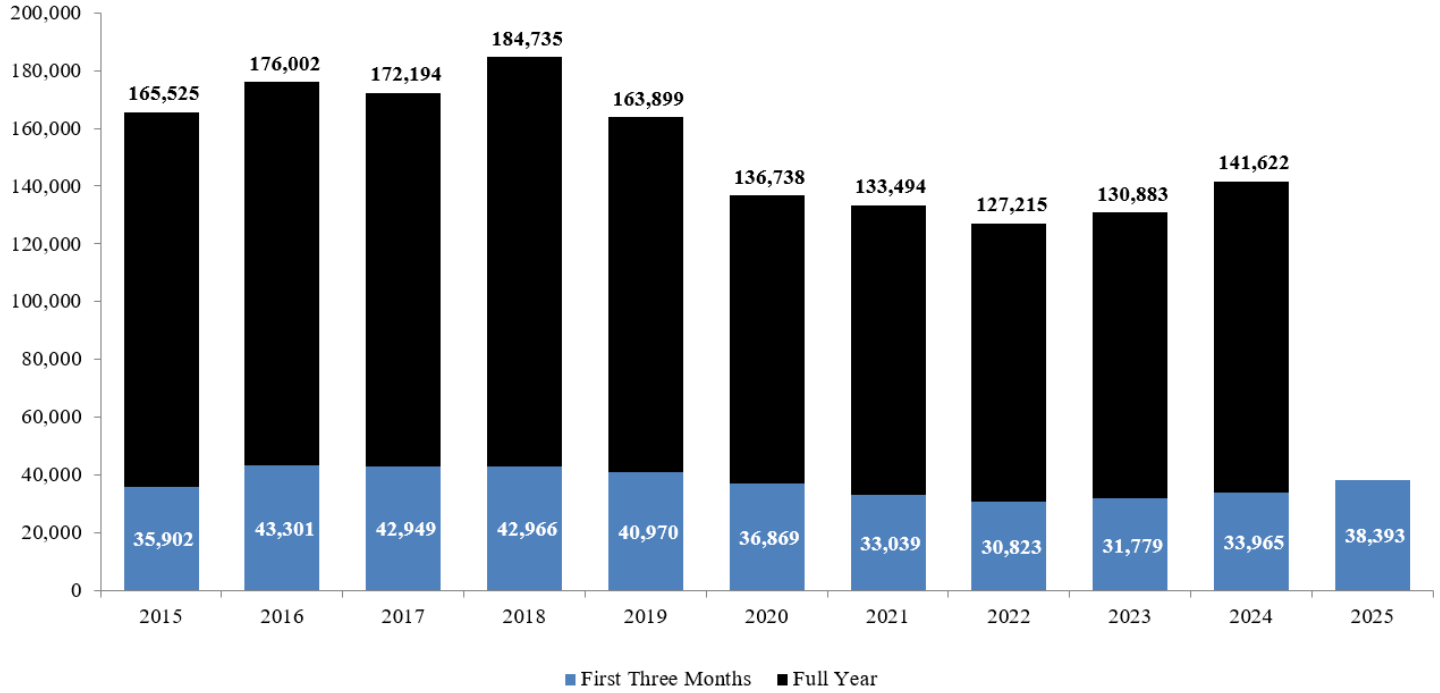
The number of Independent Medical Review (IMR) decision letters issued in response to workers' compensation medical disputes rose 13% in the first quarter of this year compared to the total from the first quarter of 2024; the median IMR response time held steady at 32 days; and after falling to an 11-year low in 2024, the IMR uphold rate rose to 89.1% according to CWCI's latest review of IMR outcomes.

CWCI's review encompassed 1.57 million IMR final determination letters issued from January 2015 through March 2025 by physician reviewers who conducted IMRs in response to utilization review (UR) denials or modifications of treatment requests for California injured workers. This review is the latest in CWCI's ongoing series that measures:

- changes in the volume of IMR determination letters
- the number of days between the IMR application date and the date on the IMR determination letter
- changes in the mix and uphold rates for medical service request modifications or denials 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 decision letters and disputed service requests associated with the top 10, top 25, top 50, top 1%, and top 10% of medical providers with the highest volume of disputed service requests.

When California adopted the IMR process for resolving workers' comp treatment disputes in 2012, state lawmakers expected IMR volume would decline as providers became familiar with evidence-based treatment guidelines. But it was not until 2019 that IMR volume began a steady decline, with the number of decision letters falling 31% from the 2018 peak of 184,735 to 127,215 in 2022. The latest data show that the number of IMR decision letters is now on the rise again, climbing 2.9% in 2023 and 8.2% in 2024, while initial 2025 data show the trend accelerating, with 38,393 letters in the first quarter, up 13% from the same period last year and the highest first quarter output since 2019.

Number of IMR Decision Letters, 2015 Through Q1 2025



IMR decision letters are generated by Maximus, the organization contracted by the DWC to manage the IMR process. Each letter includes the date the treatment request was modified or denied by utilization review (UR), the date that the IMR application was received, and the date of the decision letter, which is considered the review completion date. After Maximus receives an IMR application, it must confirm that the disputed treatment request is eligible for IMR. If it is, a notice of assignment to an IMR physician and a request for information is issued and the claims administrator has 13 to 15 days to supply the medical records. If an IMR doctor needs additional records Maximus can ask for them and the claims administrator receives additional time to respond. State law requires Maximus to issue a decision within 30 days of receiving the application and all necessary records. Even with the recent increase in IMRs, Maximus' response time has shown little change. In 2024 and the first quarter of 2025 the median time from receipt of an application to the decision letter date was 32 days (the same as in 2022); with 25% of the letters issued within 28 days and 75% issued within 38 days, all within the required timeframe.

Disputed prescription drug requests still account for more IMRs than any other type of medical service, but drug disputes, which a decade ago represented half of all IMRs, represented only about a third of all 2021–2024 IMRs. Much of that decline came after the state incorporated the Chronic Pain and Opioid Guidelines into the Medical Treatment Utilization Schedule (MTUS) in late 2017 and implemented the MTUS Drug Formulary in January 2018. The formulary categorized drugs as Exempt from prospective UR; Non-Exempt (subject to prospective UR); or Not Listed; and set up subcategories of Non-Exempt drugs (Special Fill and Perioperative) 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. With the adoption of the Chronic Pain and Opioid Guidelines and implementation of the formulary, pharmaceutical disputes have dropped from 50.7% of all IMRs in 2015 to 33.4% in 2024, with the latest data showing they declined to 30.6% of the IMR disputes in the first quarter of 2025. Breaking down the pharmaceutical IMRs by drug group shows that 37.6% of that decline was due to further reductions in opioid disputes, which went from 32.0% of pharmaceutical IMRs in 2018 to 20.8% in 2024, and 18.6% in the first quarter of 2025. With disputes over prescription drug requests accounting for a declining share of the IMRs, the share of IMR disputes involving several other types of services has increased. For example, between 2015 and the first quarter of 2025, disputes over physical therapy increased from 8.3% to 13.6% of all IMRs; disputes involving injections jumped from 6.9% to 12.9%; disputes over durable medical equipment, prosthetics, and supplies went from 7.3% to 9.7%; and disputes involving acupuncture went from 2.2% to 5.0%. Over the past decade, the overall IMR uphold rate has ranged between 88.0% and 92.4%, and in the first quarter of this year it was 89.1%. Uphold rates continue to vary by medical service category, with results from the first quarter of this year ranging from a low of 77.4% for requests involving evaluation and management services to a high of 92.9% for acupuncture requests.

The medical provider requesting the disputed service is noted in each IMR decision letter, and as in the past, a small number of physicians who request a high volume of disputed services continue to account for much of the IMR activity. In the 12 months ending on March 31, 2025, the top 1% of requesting physicians (81 doctors) accounted for 42.2% of all disputed service requests for which there was an IMR determination, while the top 10% (813 doctors) accounted for 84.2%. Over this same period, the 10 individual providers with the highest IMR volume were named on 10.9% of the decision letters and because decision letters often address multiple service requests, those same 10 providers were associated with 11.2% of all disputed requests determined by IMR (a total of 15,607 letters and 24,546 service decisions). Six of the top 10 providers were pain management specialists, three were physical medicine and rehab specialists, and one was a general practitioner. Seven of the providers on the top 10 list had practices in Northern California and three were in Southern California. Comparing the latest top 10 provider list to the list from a year earlier shows seven of the 10 providers with the highest number of IMR requests in the prior year were also on the top 10 list in the latest analysis, and 4 were on the top 10 list in each of the past five years.

The Institute has posted detailed statistics from its review of IMR activity under the Research tab at www.cwci.org. CWCI members can access these exhibits by logging on to our website using their log-in and password, 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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