



PHYSICIANS RESEARCH INSTITUTE

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December 3, 2018

Mr. William Melofchik
Legislative Director
NCOIL National Office
2317 Route 34, Suite 2B
Manasquan, NJ 08736

sent via e-mail
wmelofchik@ncoil.org

Dear Mr. Melofchik:

The Physicians Research Institute (PRI) has previously commented on the proposed amendments to the "Model Bill" (letter of July 9, 2018) relating to the dispensing of medicines by physicians.

PRI's principal criticism was that the NCOIL Workers' Compensation Subcommittee relied on data provided by the Workers' Compensation Research Institute (WCRI). See November 17, 2017 minutes of the Committee where Chair Marguerite Quinn introduced two researchers from WCRI. This data has been discredited and is unreliable.

The same criticism was made by MedChi, The Maryland State Medical Society (letter of July 5, 2018).

These comments were "rebutted" by WCRI in its letter of submission to NCOIL. The gist of WCRI's defense is that its statistics were based on a different data grouping than that used by the Maryland Workers' Compensation Commission (Maryland Commission) and, when properly correlated, the results were the same.

Mark Twain is reported to have said that there were three types of lies: "lies, damn lies and statistics." The real question is why did WCRI study a certain subset of claims which it had to know distorted the truth?

The Maryland Commission had participated with WCRI at a cost of \$190,000 a year for the 10 years before the Commission studied the data on its own. The Commission then withdrew from studies with WCRI but kept a low cost membership (\$250 a year). R. Karl Aumann, the Chair of the Maryland Commission, characterized the WCRI conclusions as follows: **"After conducting our own research and analysis of the data, the veracity and reliability of the WCRI reports were suspect."**

Very truly yours,

Joseph A. Schwartz, III
President

JAS:jsm
Enclosure

cc: Gene Ransom, III, CEO, MedChi, The Maryland State Medical Society

www.prigroup.org

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June 20, 2018

The Honorable Michael E. Busch
Speaker of the House
Maryland General Assembly
H-1-1 State House
Annapolis, Maryland 21401

Dear Mr. Speaker:

Thank you for your letter regarding the Maryland Workers' Compensation Commission (MdWCC) and the Workers' Compensation Research Institute (WCRI). As you may be aware, WCRI is an organization located in Boston, Massachusetts and focuses on issues of concern to the stakeholders in the workers' compensation community.

MdWCC participated for approximately ten years in the WCRI CompScope studies which collected data from many states and reported its research findings annually. A primary purpose of the study was to analyze costs and trends in medical care for injured workers. We frequently relied on this information in determining our policies and approaches. The cost to participate was quite high, \$190,000 per year, but MdWCC believed CompScope was a valuable resource.

The facts in your letter of May 24, 2018 regarding MdWCC and WCRI are totally accurate. After conducting our own research and analysis of the data, the veracity and reliability of the WCRI reports were suspect. At that point, MdWCC ended its participation in CompScope and WCRI programs. We continue to pay a small membership fee (\$250 annually) to WCRI because this entitles us to receive their reports, etc. This allows us to scrutinize any references to Maryland and our workers' compensation system.

For the past four years, MdWCC has continued to review the data on prescription costs and dispensing. We have seen a gradual reduction in the percentage of prescriptions dispensed by physicians to the most recent level of 14.9%. It is the position of MdWCC that this issue does not require either regulatory or statutory action.

I would be happy to discuss this matter if I might be of assistance.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Karl Aumann". The signature is written in a cursive style and is positioned above the printed name and title.

R. Karl Aumann
Chairman