

Things to Consider in Constructing Model Medical Treatment and Formulary Guidelines

ACCESS TO THE BEST MEDICAL TREATMENT
REFERENCE MATERIAL IS KEY

Can We Learn from the California Experience?

- A series of bills took effect in 2013-2016. Strategy:
 - > Improve medical care delivery
 - >Remove Waste, Friction, and Fraud
 - >Use the savings to **increase benefits** for employees and **reduce workers' comp rates** for employers.
 - >**Win – Win**

SB 863 (2012) , AB 1124 (2015), SB 1160 (2016), AB 1244 (2016)

How Was This Done?

- ▶ Improve healthcare quality and delivery.
- ▶ Use evidence-based guidelines for presumptive first-level treatment decisions.
- ▶ Establish protocol (hierarchy of decision making) for escalating to other treatment regimens based on individual circumstances.
- ▶ Reduce over-care, e.g., by calling for less invasive, evidence-based care first before surgery is decided upon.
- ▶ Eliminate litigation over issues that belong to the healthcare experts, not lawyers and judges.

The Foundation of Effective Reform?

- > Standardized reference material for first level, evidence-based treatment.
- > Drug formulary fully integrated with treatment parameters.
- > Most importantly: securing trust in the efficacy and integrity of guidelines for medical treatment, which fundamentally depends on addressing the use of drugs as part of treatment.

*ACOEEM Selection History: Rand Corp conducts a comprehensive study of existing medical treatment guidelines, applying the following criteria to rate their acceptability—
Are they/Do they:*

- (1) Evidence-based,
- (2) Peer reviewed and nationally recognized,
- (3) Address the full range of tests and therapies commonly utilized particularly for injuries of spine, arm, and leg,
- (4) Reviewed or updated at least every three years,
- (5) Developed by a multidisciplinary clinical team,
- (6) Cost less than \$500 per individual user to subscribe

Rand Study Evaluation:

- ▶ ACOEM stands out overwhelmingly as the best choice, particularly with its adherence to the principle of evidence-based validation.
- ▶ ACOEM subsequently addresses recommendations of Rand Study for continuous improvement.
- ▶ ACOEM Guidelines, with integrated formulary, become the legal standard in California.

Why use the ACOEM Guidelines?

They:

- ▶ Provide the clinician with an analytical framework for the evaluation and treatment of injured workers in the workers' compensation system.
- ▶ Serve as the primary source of guidance for treating physicians and physician reviewers in workers' compensation.
- ▶ As the presumed correct first-level standard for appropriate patient care, they enable streamlined approval of treatment requests.
- ▶ Help to protect workers from over, under, or otherwise inappropriate treatment.
- ▶ Include a comprehensive drug formulary as a fully integrated component of treatment.

How California selected a formulary:

- ▶ RAND study evaluation of 5 existing formularies.
 - ▶ Data from Washington state Department of Labor and Industries.
 - ▶ REED Group ACOEM.
 - ▶ Work Loss data from Institute ODG.
 - ▶ Ohio Bureau of Workers' Compensation
 - ▶ Department of Health Services (Medi-Cal)

Formulary Requirements:

- ▶ Established by evidence-based criteria as rigorous as those criteria underpinning the medical treatment utilization schedule (MTUS)
- ▶ Facilitate the provision of appropriate medical care to the injured worker by providing a list of the most effective medications, which not only benefits the patient but also minimizes unnecessary disputes and associated medical costs.
- ▶ Fully integrated with MTUS so that drug prescription, too often a separate consideration, is fully a part of the overall medical treatment plan for the patient.

Basis for selected Formulary

- ▶ Relies on evidenced-based criteria in determining drug list.
- ▶ Fully integrated with the MTUS.
- ▶ Transparency in the decisionmaking process to establish and keep current the list of approved drugs.
- ▶ Subjected to a procedure that ensures regular, state-of-the-art updates to the formulary.
- ▶ Easily understood and used by treating physicians.
- ▶ Focuses on drugs that are most effective in treating injured workers.

Challenges Confronting Any Attempt to Standardize Medical Treatment

- Resistance to change.
- Need to ensure maximum breadth of user base, i.e., all levels of healthcare professionals, claims adjusters, etc.