



BULLETIN

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After decreasing slightly in 2017, the number of independent medical review (IMR) determination letters issued in response to California workers' compensation medical disputes, and the number of treatment decisions rendered in those letters, increased in 2018, although in nearly 90 percent of the cases the IMR physicians upheld the utilization review (UR) physician's denial or modification of treatment.

CWCI's latest analysis of IMR outcomes is based on data from nearly 830,000 IMR final determination letters issued from January 2014 through December 2018 by physician reviewers who conducted IMRs in response to denials or modifications of medical service requests for California injured workers. As in prior studies, the new report calculates changes in the volume, timeliness, and regional distribution of IMRs; determines the number, mix, and uphold rates for medical services that were reviewed; examines the distribution and outcomes of pharmaceutical IMRs by drug category; and measures the percentage of 2018 IMRs associated with the top 10 percent of medical providers with the highest volume of disputed medical service requests. In addition, the study looks at the concentration of IMR submissions by high-volume law firms; gives a breakdown of pharmaceutical vs. non-pharmaceutical IMRs by claim age, and estimates the percentage of pharmaceutical, physical therapy, acupuncture, and chiropractic IMRs that were submitted solely on the basis of a reduction in the number of services allowed, even though provision of the initial or trial service was approved.

IMR volume has consistently been much higher than anticipated, and the updated data indicate that IMR volume has increased in three of the last four years, with the most recent figures showing a 7.3 percent increase from 2017 to 2018, as the number of IMR determination letters climbed to a record 184,733 letters. The regional distribution indicates a geographic component to this recent growth, most notably in San Diego, where IMR letter volume showed a year-to-year increase of more than 18 percent, and in the Bay Area, where the number of letters increased more than 12 percent. Even with the higher volume, however, IMR response times continue to improve. The median number of days from the receipt of an IMR application and the medical records to the issuance of a decision letter fell to a new low of 32 days in 2018, with 25 percent of the determination letters sent within 28 days, and 75 percent issued within 36 days, all of which are well within the statutory requirement.

As in the past, much of the 2018 IMR activity involved a small number of physicians who request a high volume of services that go through IMR. The top 10 percent of physicians with the highest IMR volume (1,219 doctors) were responsible for 84.6 percent of the disputed service requests in 2018; the top 1 percent (122 providers) were requested 44.2 percent of the disputed services; and the 10 doctors with the highest IMR volume accounted for nearly 10 percent of the medical disputes determined by IMR, a total of 28,973 service decisions. In 88.3 percent of the decisions, the UR determination was upheld, underscoring that in most cases, the high-volume providers failed to adhere to the evidence-based medicine guidelines. In addition to looking at high-volume providers, for the first time the researchers also identified the law firm representatives who submitted the IMR applications. Those results show that the IMR submissions were heavily concentrated among a small number of high-volume law firms, as there were 541 law firms that were named in at least 50 IMR letters in 2018. The top 10 firms accounted for 15.0 percent of all IMR volume, the top 25 accounted for 25.0 percent, and the top 50 accounted for 35.4 percent. Furthermore, IMR volume became even more concentrated among high-volume firms between 2017 and 2018, as the number of submissions from the top firms increased between 8.2 percent and 8.7 percent, exceeding the 7.3 percent increase in total IMR volume over the same period.

Prescription drug disputes continued to account for the largest share of IMR activity last year – 46.3 percent of the service requests determined by IMR in 2018. In addition, the authors found that as claims age, prescription drugs represent a much greater share of the disputes that undergo IMR, with prescription drug IMRs increasing from 26.2 percent of all IMRs on first-year claims to 61.2 percent of the IMRs on claims older than 11 years. Despite the age of many of the claims for which pharmaceutical IMRs are conducted, and the fact that the Medical Treatment Utilization Schedule (MTUS) guidelines that provide the clinical rationale for appropriate treatment in workers' compensation do not recommend opioids for chronic pain, opioid requests remained the leading drug category submitted for IMR, accounting for nearly a third of all pharmaceutical IMRs in 2018, even though UR denials or modifications of opioid requests continued to be upheld about 90 percent of the time. Physical therapy (10.5 percent); injections (9.2 percent); DME/Prosthetics/Orthotics and supplies (7.1 percent); and MRIs, CT scans and PET scans (4.5 percent) rounded out the top five medical service categories for 2018 IMR disputes.

A review of the 2018 IMR outcomes shows that across all service categories, 88.6 percent of the IMR decisions upheld the UR physicians' denial or modification of the requested service; which was down from 91.0 percent in 2017, with uphold rates ranging from a low of 75.8 percent for evaluation/management requests to a high of 92.7 percent for acupuncture requests. Conversely, in 11.4 percent of all IMR decisions issued last year, the IMR physician overturned the UR physician and deemed the service medically necessary and appropriate.

Currently, any UR modification of a service request can be submitted to IMR, and the study identified a significant number of IMRs where the requested service was approved by UR but modified for a lesser quantity than requested in order to stay within the MTUS guidelines. The authors estimate that in 2018, about 7 percent of pharmaceutical IMRs, 8 percent of physical therapy IMRs, and 4 percent of chiropractic and acupuncture IMRs were submitted solely on the basis of a reduction in the number of services allowed, even though provision of the initial or trial service was approved. Given that the volume of IMR activity is not diminishing, this suggests one area where public policymakers may want to consider whether it is appropriate for these types of modifications to remain eligible for IMR review.

Over the course of this year, CWCI plans to conduct a closer examination of the dispute resolution process by connecting IMR data with transaction-level UR and medical service data to gain a better understanding of the end-to-end process of review and service delivery by service type and drug group, as well as by different dimensions, including the age of the claim, top providers, top law firms, and region. In the meantime, the Institute has published its latest IMR analysis in a Research Update Report, "Independent Medical Review Decisions, January 2014 Through December 2018," which is posted in the Research section at www.cwci.org.

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