

Controlling Quality of Care and Cost:

The Form and Function of Medical Dispute Resolution

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Managing Medical Management

Why is California workers' comp medical harder to manage?

1. Most expensive medical delivery system
2. Absence of supply and demand side controls:
 - Co-payments & deductibles
 - Contractual language
3. Disputes and dispute resolution
 - High litigation and medical disputes
 - Before: Legal process, decisions by judges
 - Now: UR and IMR rely on the MTUS (evidence-based guidelines)

The Form and Function of Medical Dispute Resolution Exhibit 3

Areas of Conflict:

1. Utilization Review Administration Efficiency?
2. Quality of Care and Efficacy of the MTUS, UR and IMR

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Exhibit 4

The Form and Function of Medical Dispute Resolution

Areas of Conflict:

- UR Efficiency
 - New Study on Efficiency of Payor UR;
 - Data from Division of Workers Compensation UR Audits 2009 – 2013.

UR

California Workers Compensation System

Division of Workers Compensation

2009-2013 UR

The report of the Division of Workers Compensation (DWC) on the efficiency of the workers' compensation system is a key component of the system's overall performance. The report provides a comprehensive overview of the system's performance, including the number of claims filed, the number of claims resolved, and the number of claims that are still pending. The report also provides information on the cost of the system and the impact of the system on the economy.

The report is a valuable resource for employers, employees, and the general public. It provides a clear and concise overview of the system's performance and helps to identify areas for improvement. The report is also a key component of the system's annual report.

The report is available on the DWC website at <http://www.dir.ca.gov/dwc>.

- No number of requests for UR
- No number of requests for UR
- No number of requests for UR

Source: CWCI 2015

Exhibit 5

UR Efficiency

Division of Workers Compensation
UR Audits: 2009 - 2013

	2009	2010	2011	2012	2013	Grand Total
Total DWC Audits	47	49	62	58	64	280
Total Requests for Authorization	1,806	1,843	2,717	2,111	2,715	11,192

Source: CWCI 2015

Exhibit 6

UR Efficiency

Division of Workers Compensation
UR Audits: 2009 - 2013

	2009	2010	2011	2012	2013	Grand Total
Total DWC Audits	47	49	62	58	64	280
Total Requests for Authorization	1,806	1,843	2,717	2,111	2,715	11,192
1. Untimely Response						
2. Faulty Content						
3. Improper Distribution						
Overall UR Rating (Passing Grade = 85%)						

Source: CWCI 2015

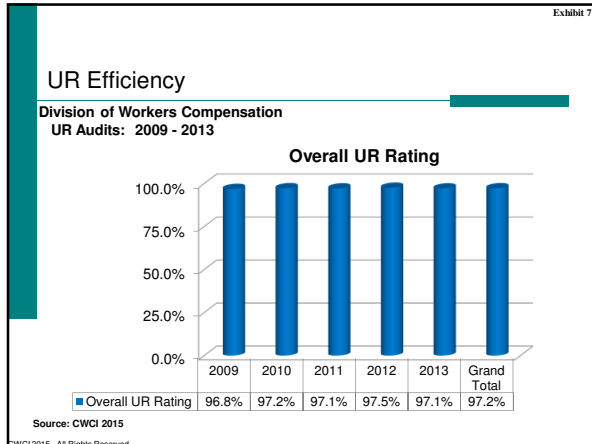


Exhibit 8

The Form and Function of Medical Dispute Resolution

Areas of Conflict:

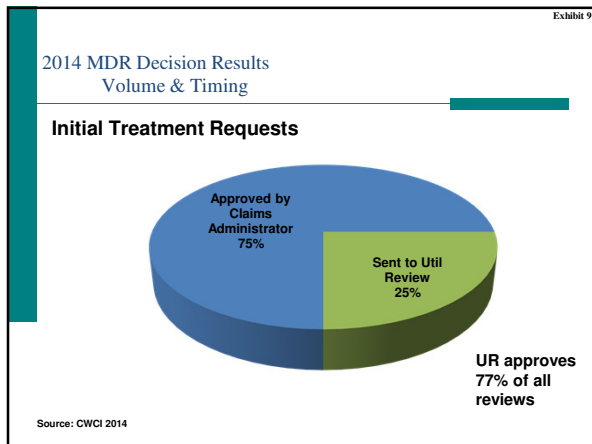
2. Quality of Care and Efficacy of the MTUS, UR and IMR

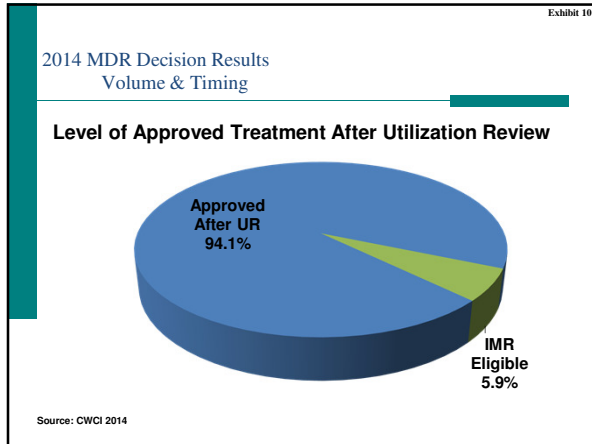
Outcomes on Process:

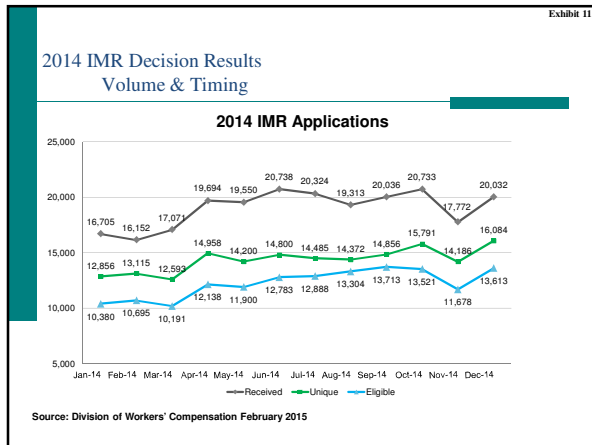
- Volume of Disputes
- Characteristics of Disputes
- Decisions and their Rationale

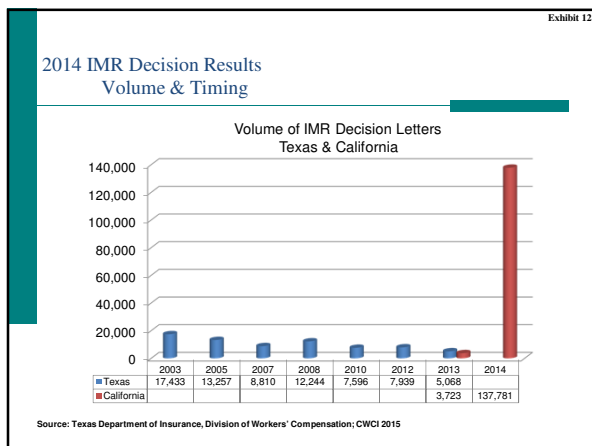
Next Steps - Outcomes:

- Impact on injured worker
- Impact on CA system









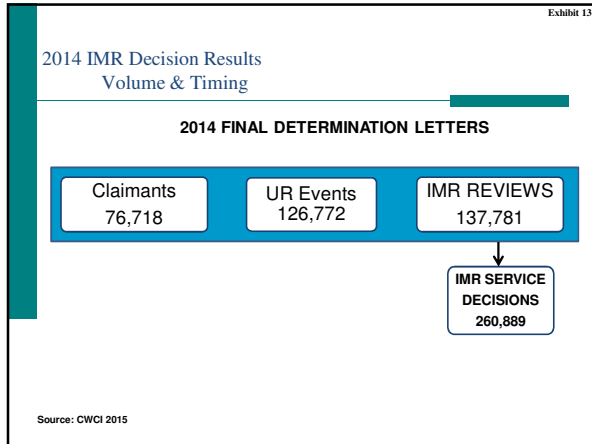


Exhibit 14

2014 IMR Decision Results
Volume & Timing

UR Denials/Modifications Upheld vs Overturned

Result	Services	%
Upheld UR	237,345	91.4%
Overturned UR	23,544	8.6%
Total	260,889	100.0%

Source: CWCI 2015

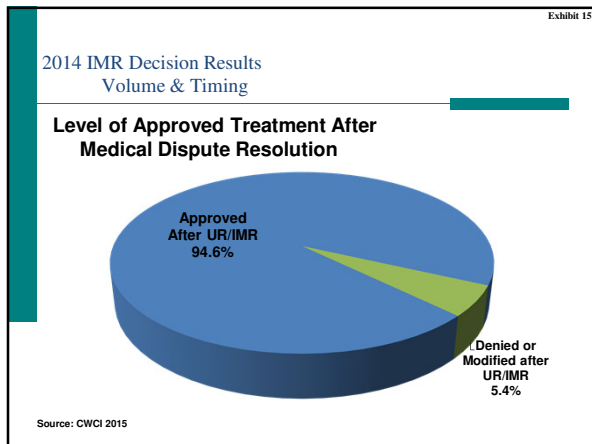


Exhibit 16

2014 IMR Decision Results By Service

Service Type	% of Services	% Upheld
Prescription Drugs	44.7%	91.9%
Durable Medical Equipment	9.8%	93.7%
Physical Therapy	9.3%	94.0%
Injections	5.9%	92.2%
Diagnostic Tests & Measurements	4.9%	87.9%
Surgery	4.7%	88.5%
MRI/CT/PET Scans	3.8%	89.1%
Laboratory & Pathology	2.9%	87.3%
Acupuncture	2.1%	94.1%
Psych	2.1%	84.9%
Chiropractic	1.9%	95.4%
Evaluation & Management	1.7%	79.5%

Source: CWCI 2015

Exhibit 17

2014 IMR Decision Results By Pharmaceuticals

Service Type	% of Services	% Upheld
Prescription Drugs	44.7%	91.9%

Drug Category	% Rx	% Upheld
Compound	12%	98.1%
Injection	2%	89.6%
Traditional Rx	86%	91.1%
Total Rx	100%	91.9%

29% of Traditional Rx IMRs are for Opioids

Source: CWCI 2015

Exhibit 18

2014 IMR Decision Results By Geographic Region

Region	% of Letters	% of Claims	Ratio	% Upheld
Los Angeles	36%	24%	1.5	92.7%
Bay Area	19%	19%	1.0	89.6%
Inland Empire/Orange	16%	18%	0.9	92.0%
Valleys	15%	20%	0.8	90.3%
Central Coast	6%	7%	0.9	90.8%
San Diego	5%	8%	0.6	89.3%
North Counties	2%	3%	0.5	89.7%
Sierras	1%	2%	0.4	90.9%

Source: CWCI 2015

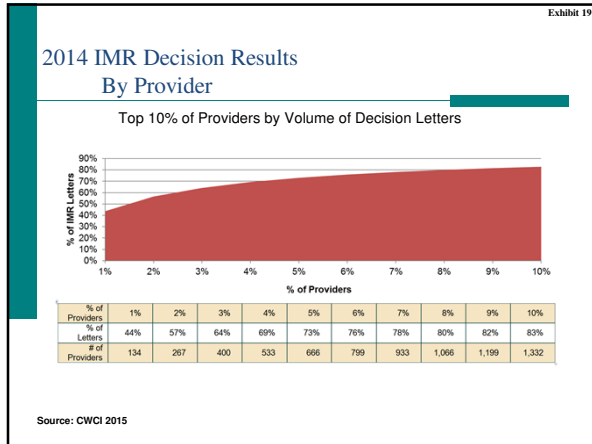


Exhibit 20

2014 IMR Decision Results By Provider

Top 10 Providers

Provider	Letters	Services	Claims	UR Upheld
Provider 1	1.9%	1.9%	3.1%	91.4%
Provider 2	1.6%	3.2%	1.9%	94.7%
Provider 3	1.0%	2.3%	1.1%	91.5%
Provider 4	0.9%	1.6%	1.2%	94.4%
Provider 5	0.9%	1.1%	1.3%	87.3%
Provider 6	0.9%	1.0%	1.3%	89.8%
Provider 7	0.8%	1.1%	1.1%	90.3%
Provider 8	0.8%	1.1%	1.0%	88.8%
Provider 9	0.8%	0.9%	1.0%	88.8%
Provider 10	0.8%	0.8%	1.0%	86.3%
TOP 10	11%	15%	14%	91.3%

Source: CWCI 2015

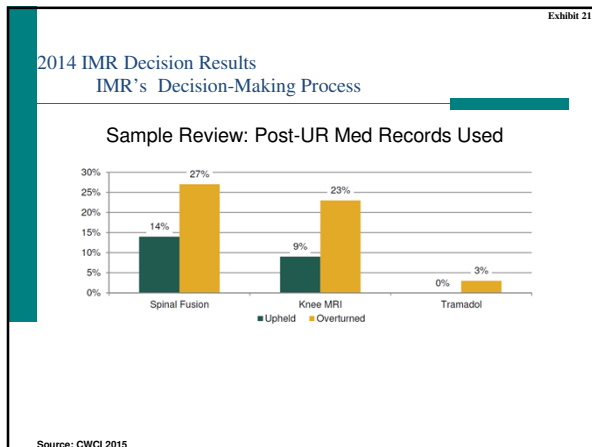


Exhibit 22

2014 IMR Decision Results

Key Findings

- After IMR, 95% of Treatment Requests are approved
- 45% of all IMR is Pharmacy
- Results vary by service
- Over 80% of IMR decisions are initiated by 10% of physicians
- Reviewing treatment requests is complex and requires expertise
- Without oversight, injured workers may receive deleterious or unnecessary care
