Progress Report
on Workers' Compensation

California Orthopaedic Association
2014 Annual Meeting
Monterey

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California Division of Workers' Compensation

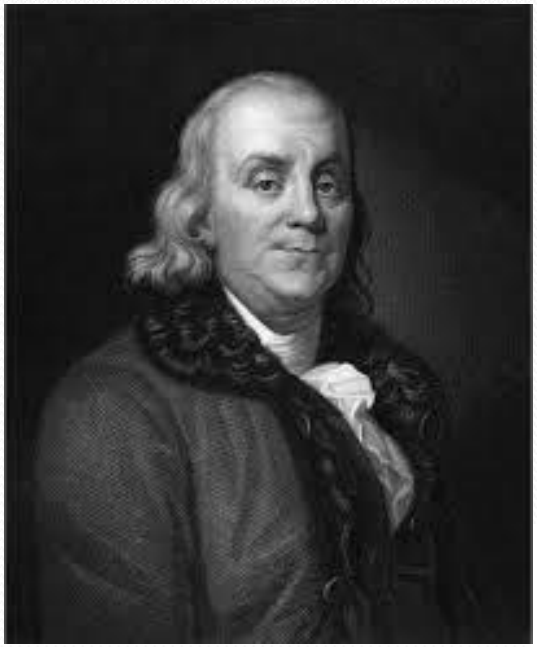
Disclosures

Rupali Das

Has no relevant disclosures
or conflicts of interests
to report

Discussion Topics

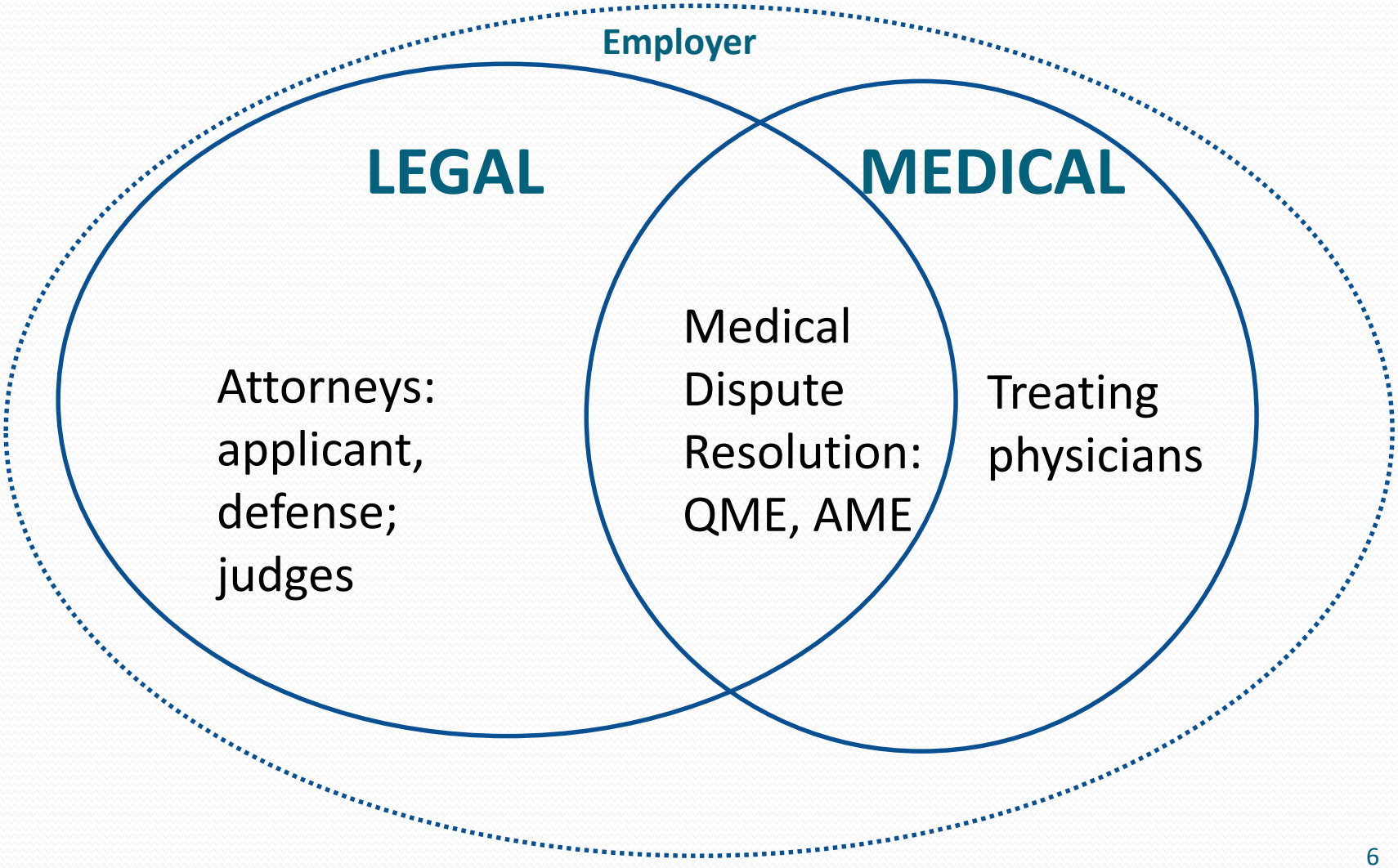
- Overview
- Treatment
  - IMR
  - Evidence-based Medicine
- Reimbursement
  - IBR
  - Physician Fee Schedule



"I'll have an ounce of prevention."

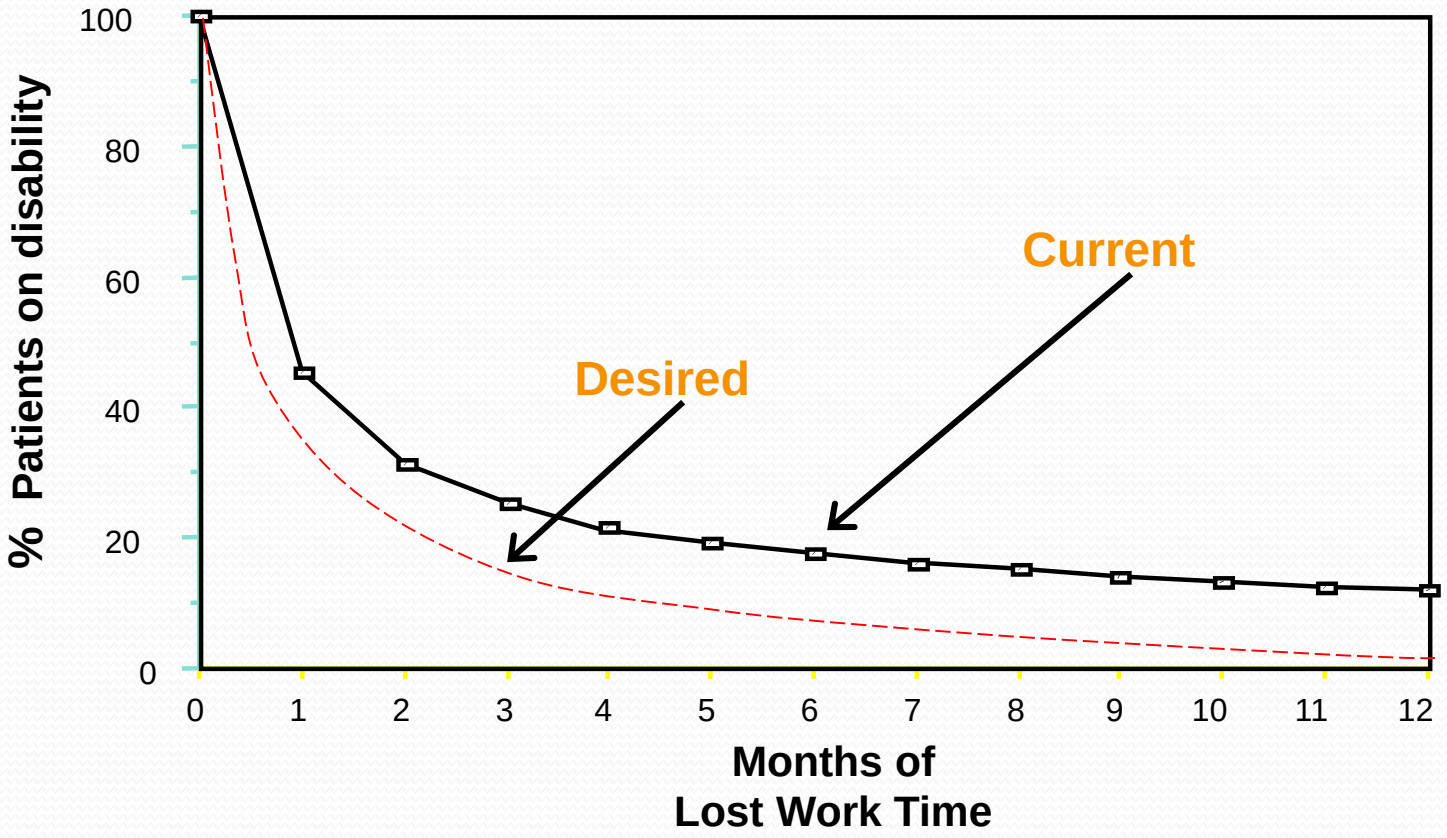
Workers' Compensation System

Physician Roles in the Workers' Compensation System



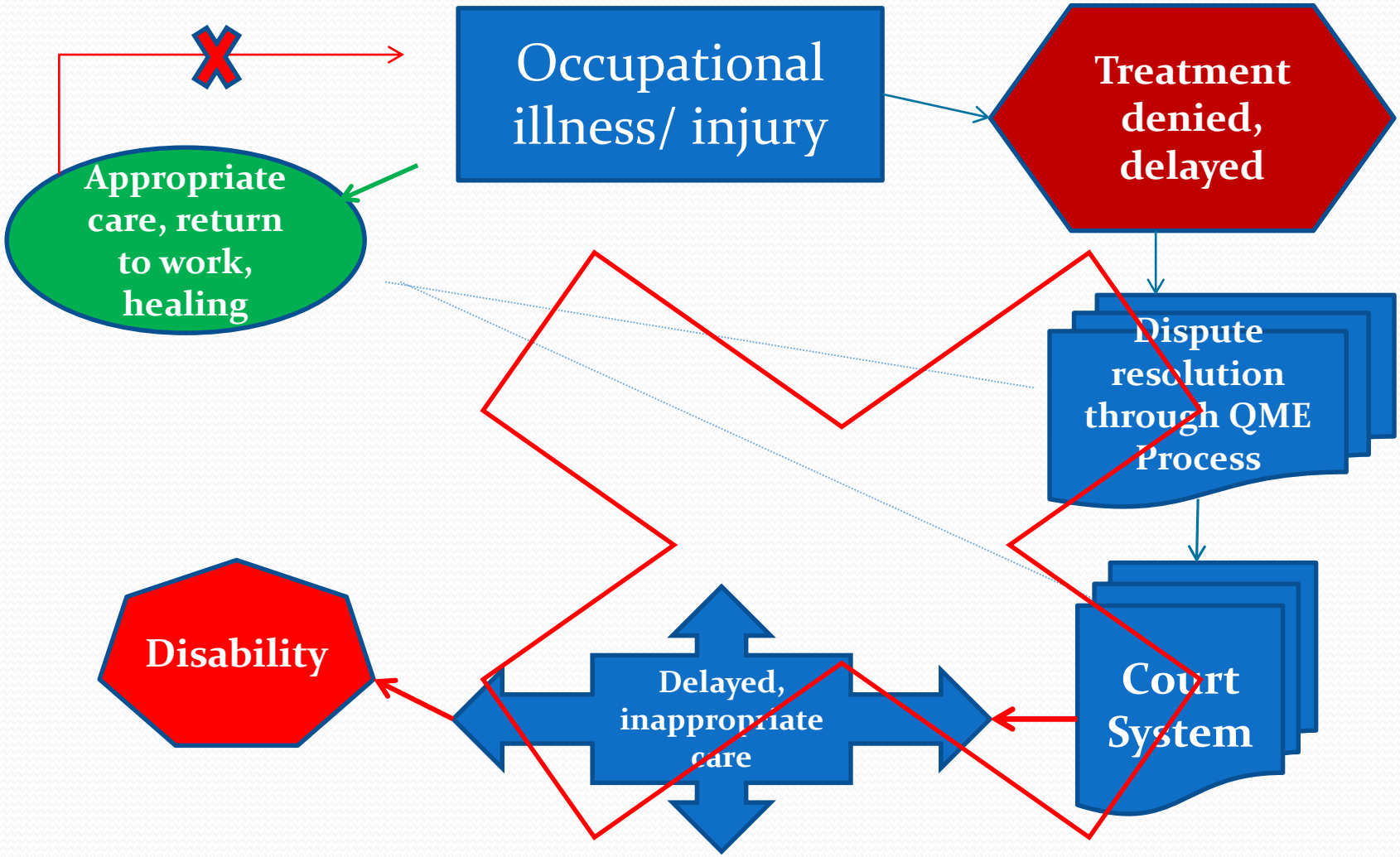
To Prevent Chronic Disability

Use Occupational Health Best Practices Early



Cheadle A et al. Factors influencing the duration of work-related disability. Am J Public Health 1994; 84:190–196.

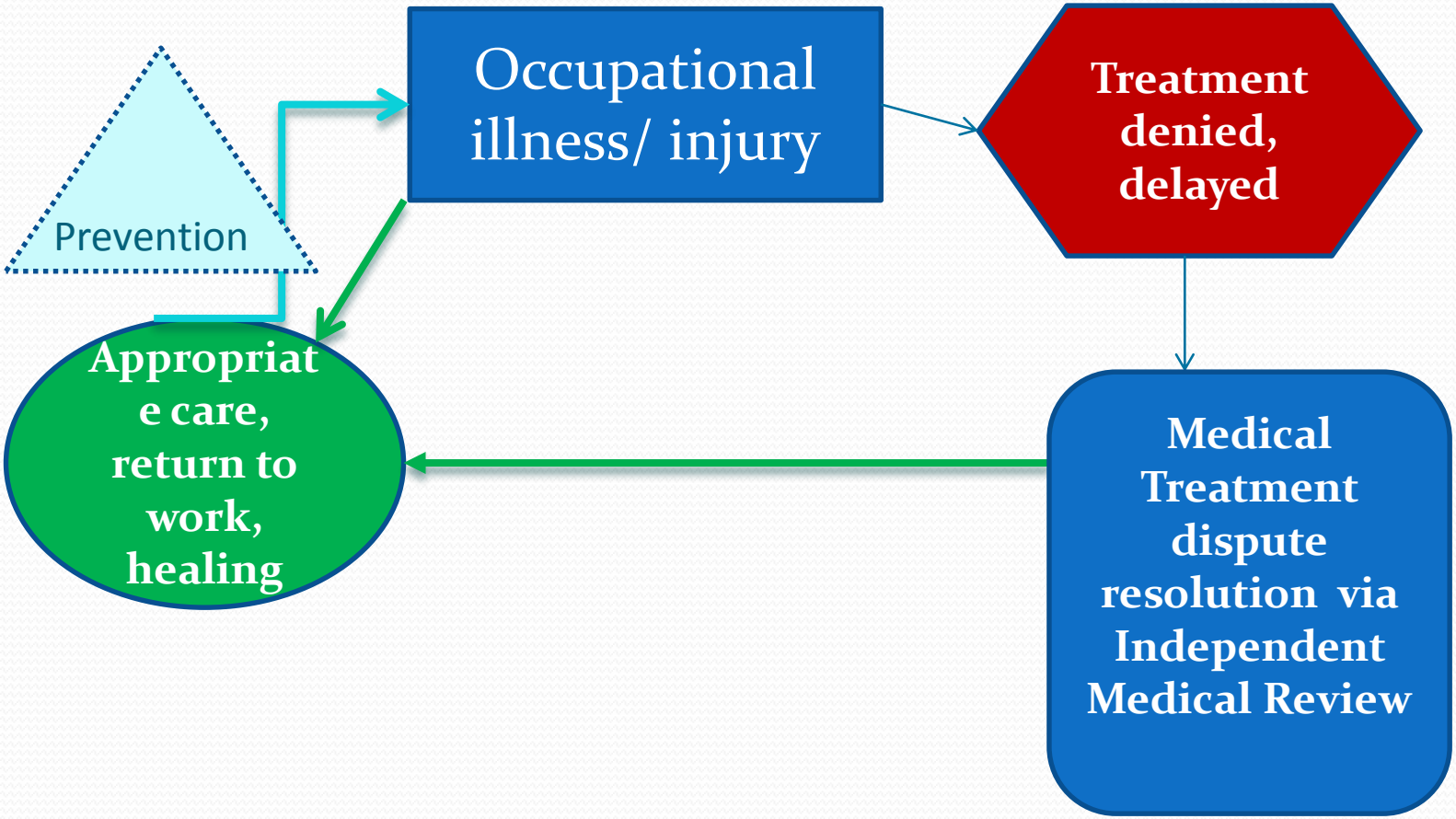
Pre 2013 Workers' Compensation: Complex Health Care System



Intent of Independent Medical Review

- Timely, medically appropriate care for workers
- Medical expertise to resolve disagreements about medical treatments
- Reduce inappropriate Utilization Review denials; increase medically appropriate requests
- Enhance efficiency, reduce costs to system

Intent of IMR

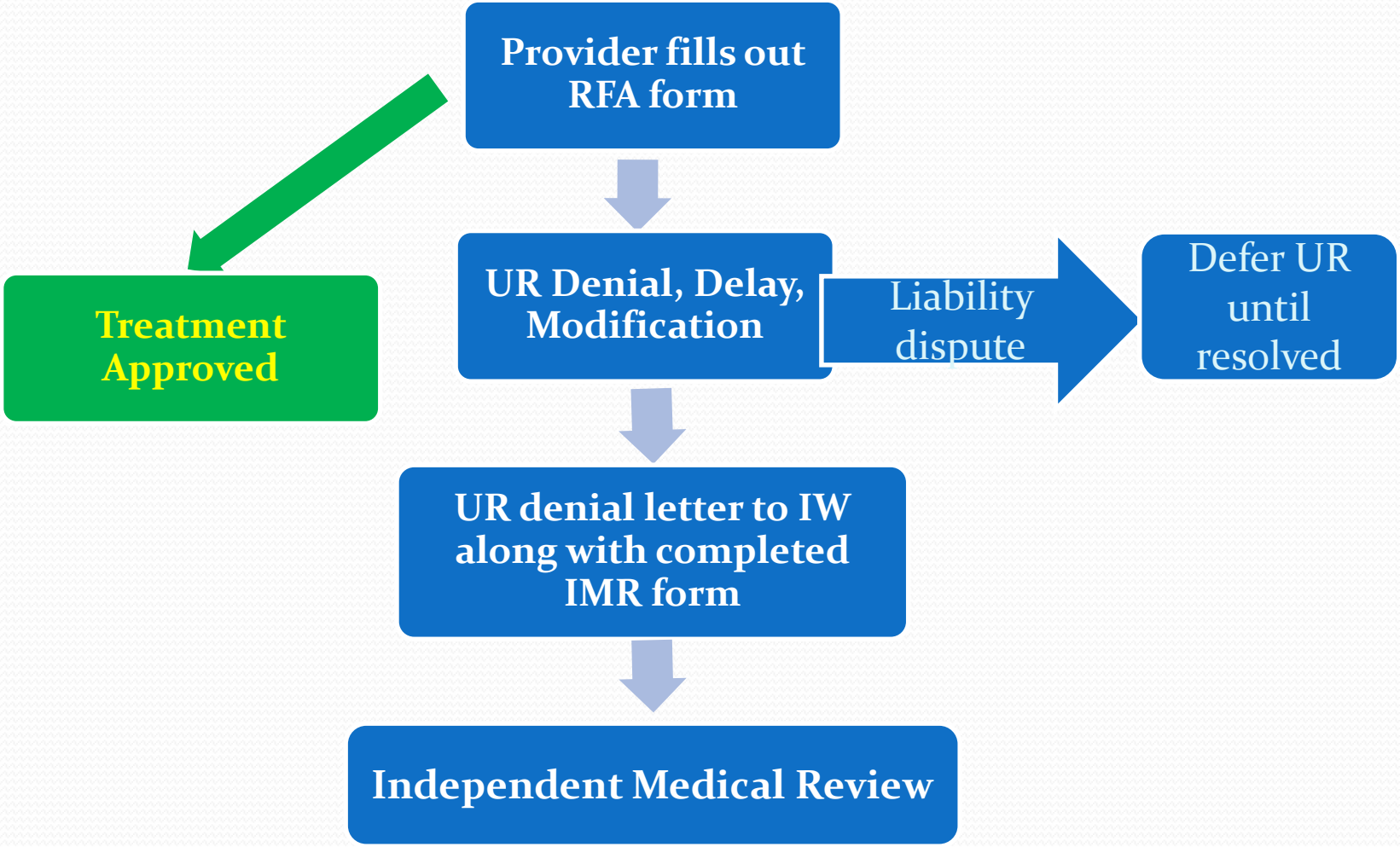


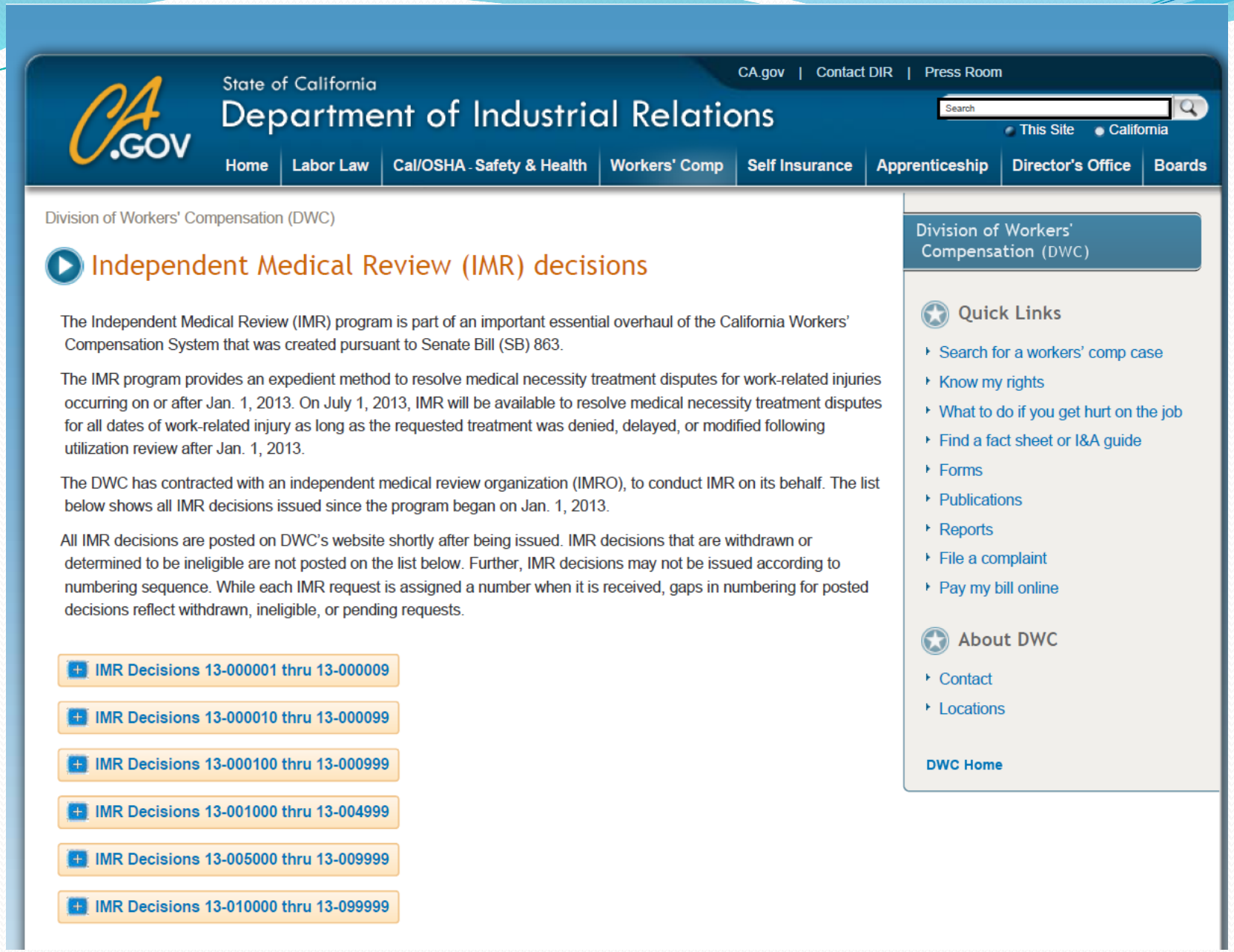
Perception of IMR

IMR—Practical Aspects

- Determinations are binding
  - Limited grounds for appeal
- Provided by Maximus Federal Services until 12/31/14
- Reviewers specialty matched to request
  - Anonymous outside the IMRO

Utilization Review





https://www.dir.ca.gov/dwc/IMR/IMR_Decisions.asp

MAXIMUS FEDERAL SERVICES, INC.
Independent Medical Review
P.O. Box 138009
Sacramento, CA 95813-8009
(855) 865-8873 Fax: (916) 605-4270

MAXIMUS Federal Services

Independent Medical Review Final Determination Letter

280
[redacted]

Dated: 12/20/2013

IMR Case Number:	CM13-0014800	**Date of Injury:**	08/17/2009
Claims Number:	[redacted]	**UR Denial Date:**	08/01/2013
Priority:	STANDARD	**Application Received:**	08/22/2013
Employee Name:	[redacted]		
Provider Name:	[redacted]		
Treatment(s) in Dispute Listed on IMR Application:			
1. RIGHT SHOULDER ARTHROSCOPY WITH ROTATOR CUFF REPAIR AND SUBACROMIAL DECOMPRESSION 2. POST-OP PT 3X8 WEEKS			

DEAR [redacted] ,

MAXIMUS Federal Services has completed the Independent Medical Review ("IMR") of the above workers' compensation case. This letter provides you with the IMR Final Determination and explains how the determination was made.

Final Determination: PARTIAL OVERTURN. This means we decided that some (but not all) of the disputed items/services are medically necessary and appropriate. A detailed explanation of the decision for each of the disputed items/services is provided later in this letter.

INDEPENDENT MEDICAL REVIEW DECISION AND RATIONALE

An application for Independent Medical Review was filed on 6/19/2013 disputing the Utilization Review Denial dated 5/17/2013. A Notice of Assignment and Request for Information was provided to the above parties on 7/23/2013. A decision has been made for each of the treatment and/or services that were in dispute:

1) MAXIMUS Federal Services, Inc. has determined the retrospective request for arthroscopy, shoulder, surgical, capsulorrhaphy provided on 4/12/13 **is not medically necessary and appropriate.**

Medical Qualifications of the Expert Reviewer:
The independent Medical Doctor who made the decision has no affiliation with the employer, employee, providers or the claims administrator. The physician reviewer is Board Certified in Orthopaedic Surgery and is licensed to practice in California. He/she has been in active clinical practice for more than five years and is currently working at least 24 hours a week in active practice. The Expert Reviewer was selected based on his/her clinical experience, education, background, and expertise in the same or similar specialties that evaluate and/or treat the medical condition and treatments and/or services at issue.

Case Summary:
Disclaimer: The following case summary was taken directly from the utilization review denial/modification dated May 17, 2013.

Rationale for Decision

1) **Regarding the request for 2nd set of epidural steroid injection Left L5-S1 lumbar transforaminal:**

Medical Treatment Guideline(s) Relied Upon by the Expert Reviewer to Make His/Her Decision:

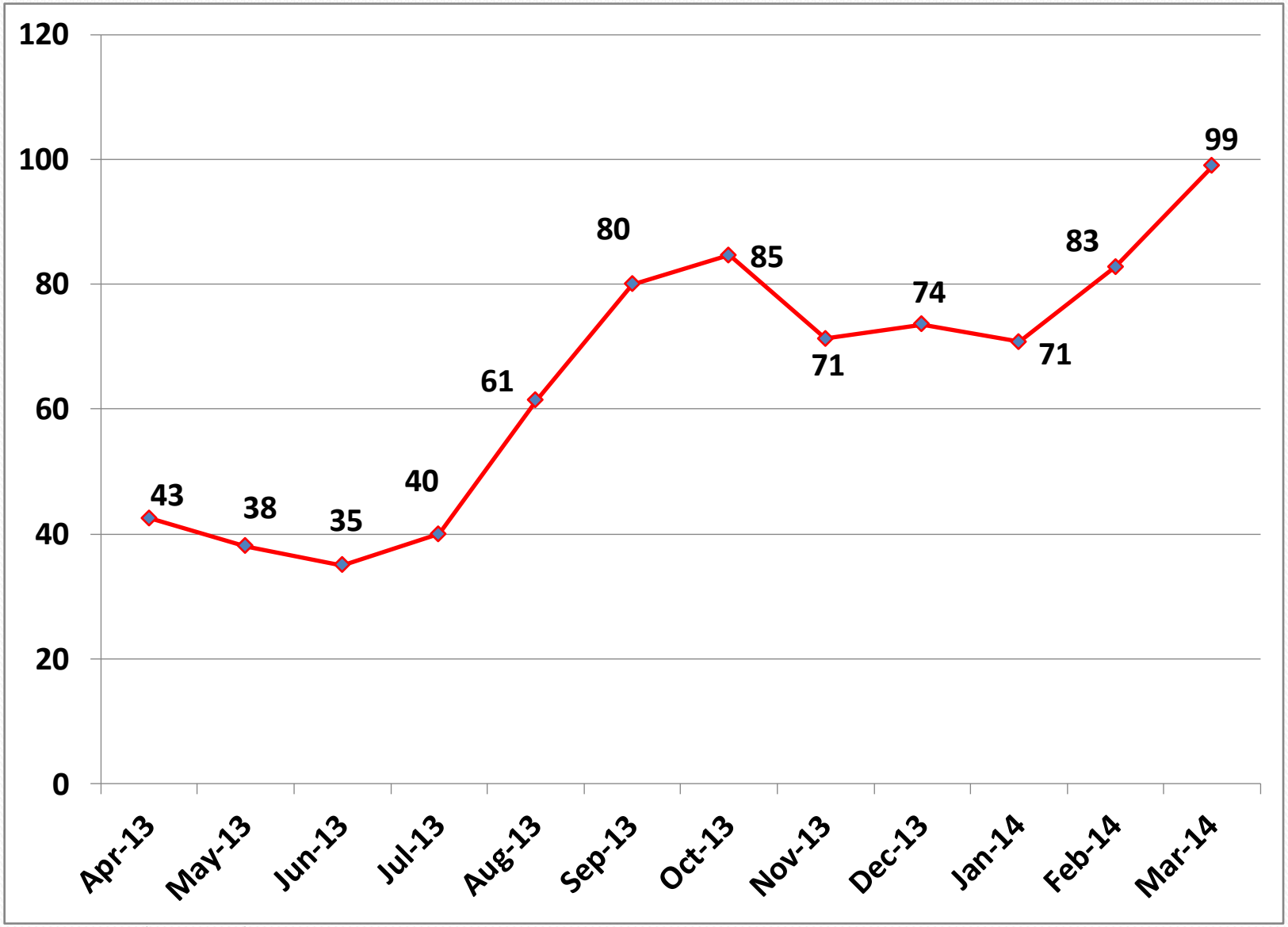
The Claims Administrator based its decision on the Low Back Complaints (ACOEM Practice Guidelines, 2nd Edition (2004), Chapter 12) pg. 300, which is part of the Medical Treatment Utilization Schedule (MTUS). The provider did not dispute the guidelines used by the Claims Administrator. The Expert Reviewer found that the guidelines used by the Claims Administrator were not appropriate for the issue at dispute. The Expert Reviewer used the Chronic Pain Medical Treatment Guidelines (May, 2009), Epidural Injection. Pg. 46, which is part of the (MTUS).

Rationale for the Decision:

The employee sustained a work-related injury on August 23, 2012 to the lower back. Medical records provided for review indicate treatments have included pain medication and epidural steroid injection. The request is for 2nd set of epidural steroid injection left L5-S1 lumbar transforaminal.

The MTUS Chronic Pain Medical Treatment guidelines indicates the criteria for repeat epidural steroid injections are documented pain and functional improvement, including at least 50% pain relief associated with a reduction of medication use for six to eight weeks. The medical records provided for review indicate some pain relief for 1-2 weeks with the use of less pain medications with symptoms increasing after six or eight week which would not meet guideline criteria for a repeat injection. The request for 2nd set of epidural steroid injection left L5-S1 lumbar transforaminal is not medically necessary and appropriate.

Average Days to Complete a Standard IMR



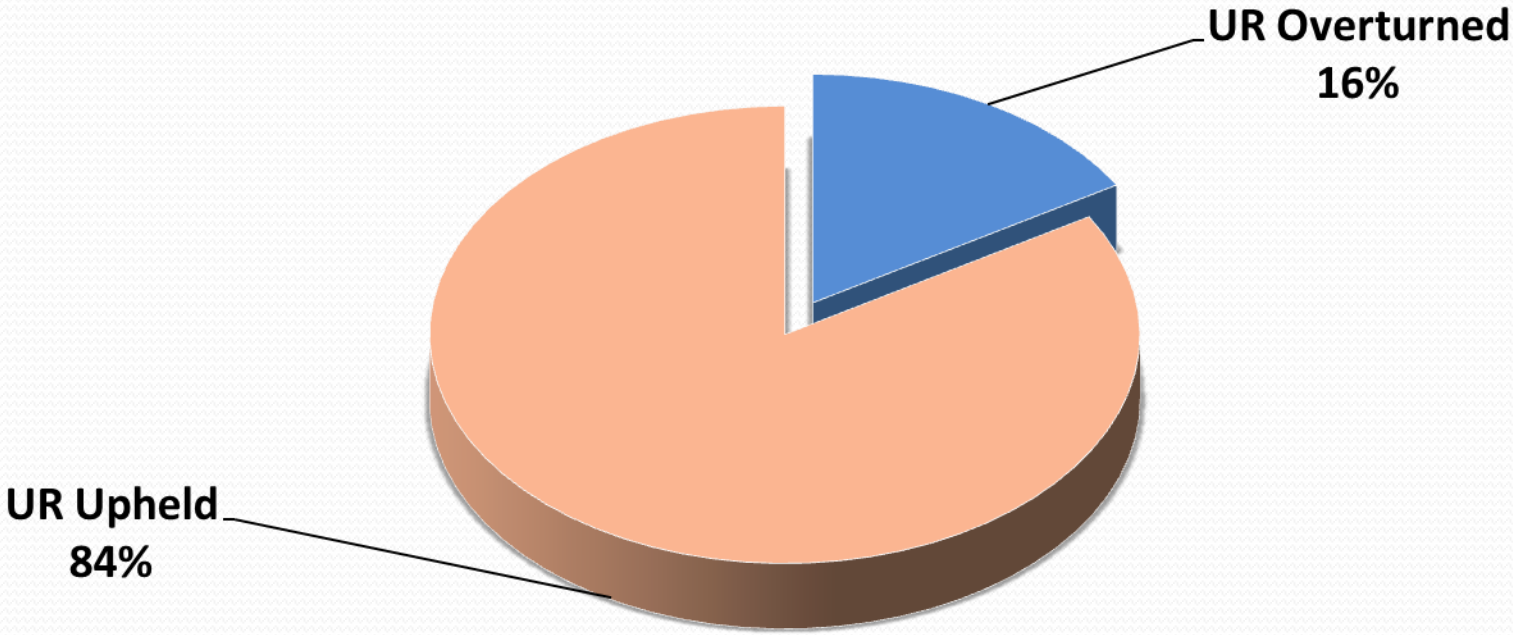
Determinations Thru April 2014

Top Ten IMR Reviewer Specialties

Reviewer Specialty	Percentage of Total Reviews
Physical Medicine & Rehabilitation	34%
Occupational Medicine	19%
Orthopedic Surgery	16%
Family Medicine	7%
Internal Medicine	7%
Anesthesiology	4%
Chiropractic	2%
Neurology	2%
Psychology	2%
Psychiatry	2%

Data as of 12/26/13: 2,658 IMR Determinations

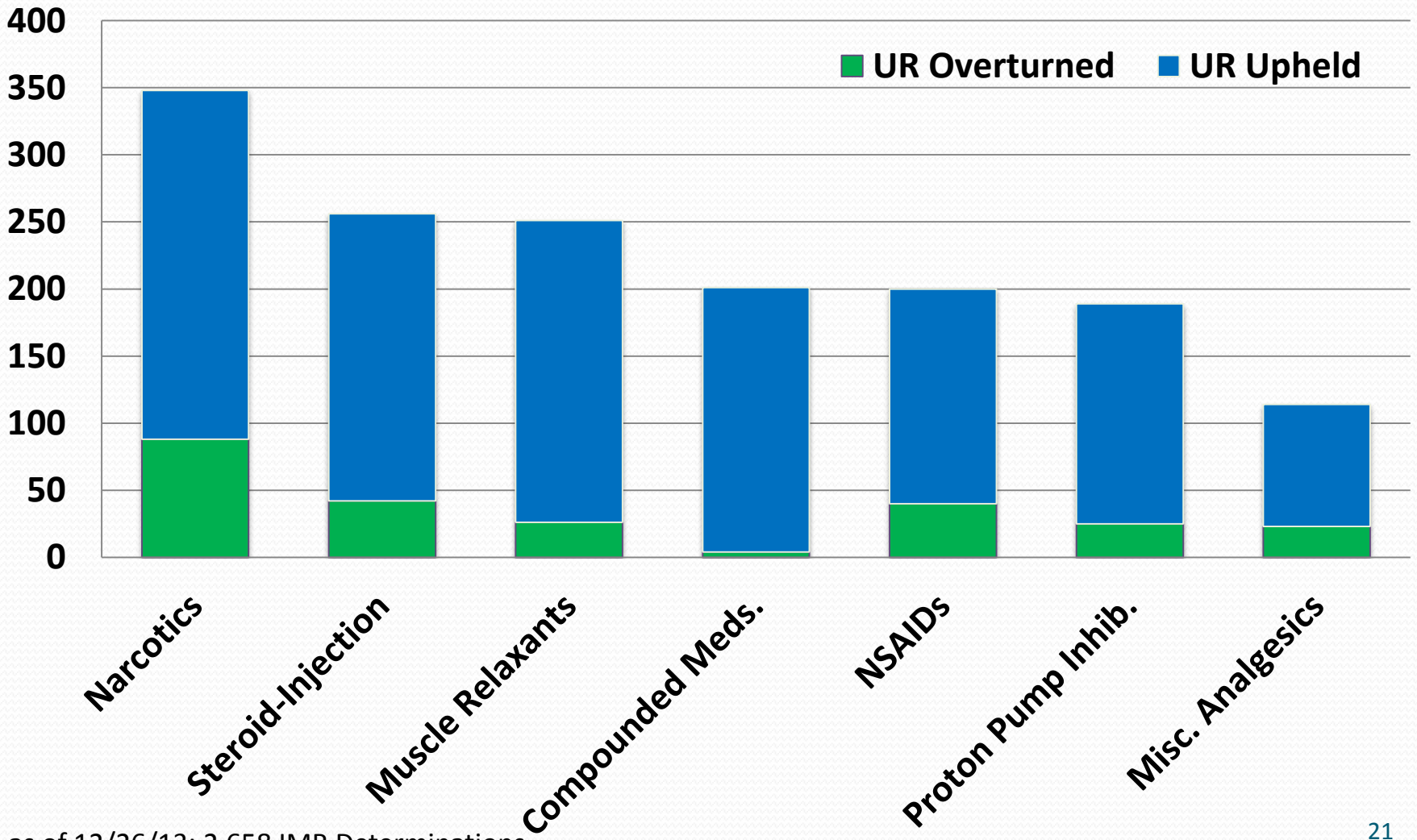
Most UR Treatment Decisions Upheld by IMR in 2013



5.619 Treatment Decisions (4,699 UR Upheld, 920 UR Overturned)

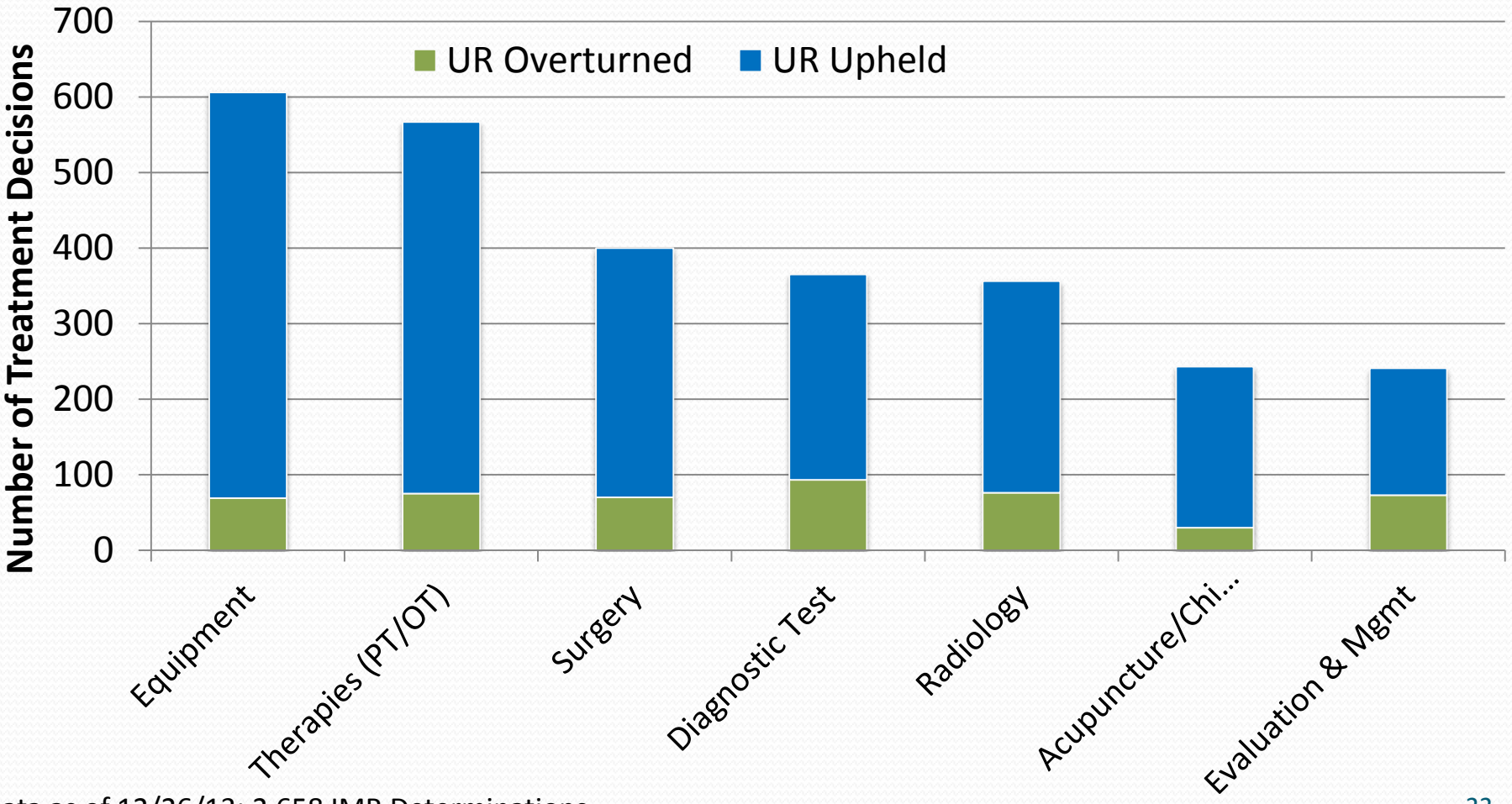
Data as of 12/26/13: 2,658 IMR Determinations

Pharmaceuticals Most Common Request



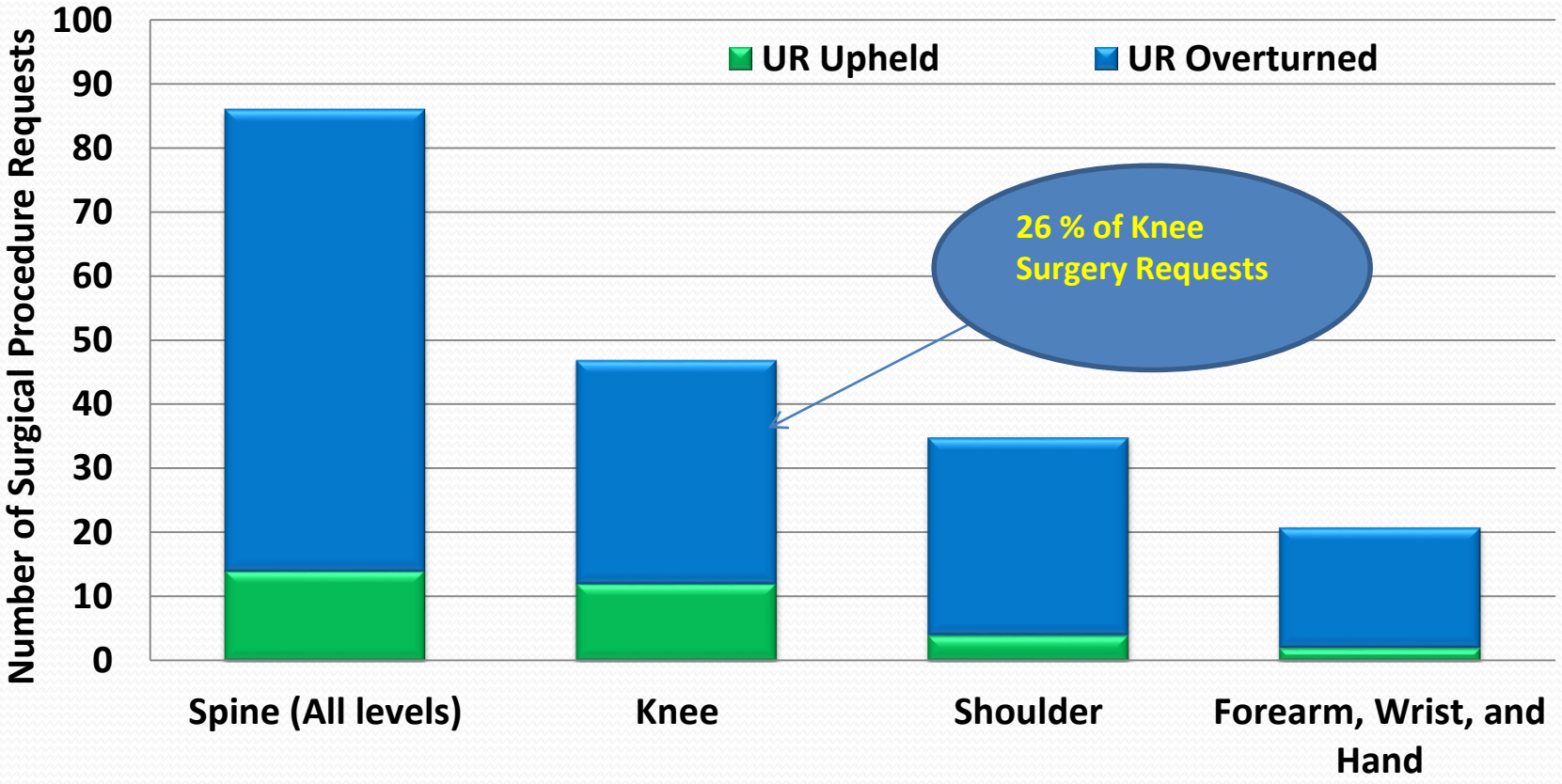
Data as of 12/26/13: 2,658 IMR Determinations

Most Common Non-Pharmaceutical IMR Treatment Decisions



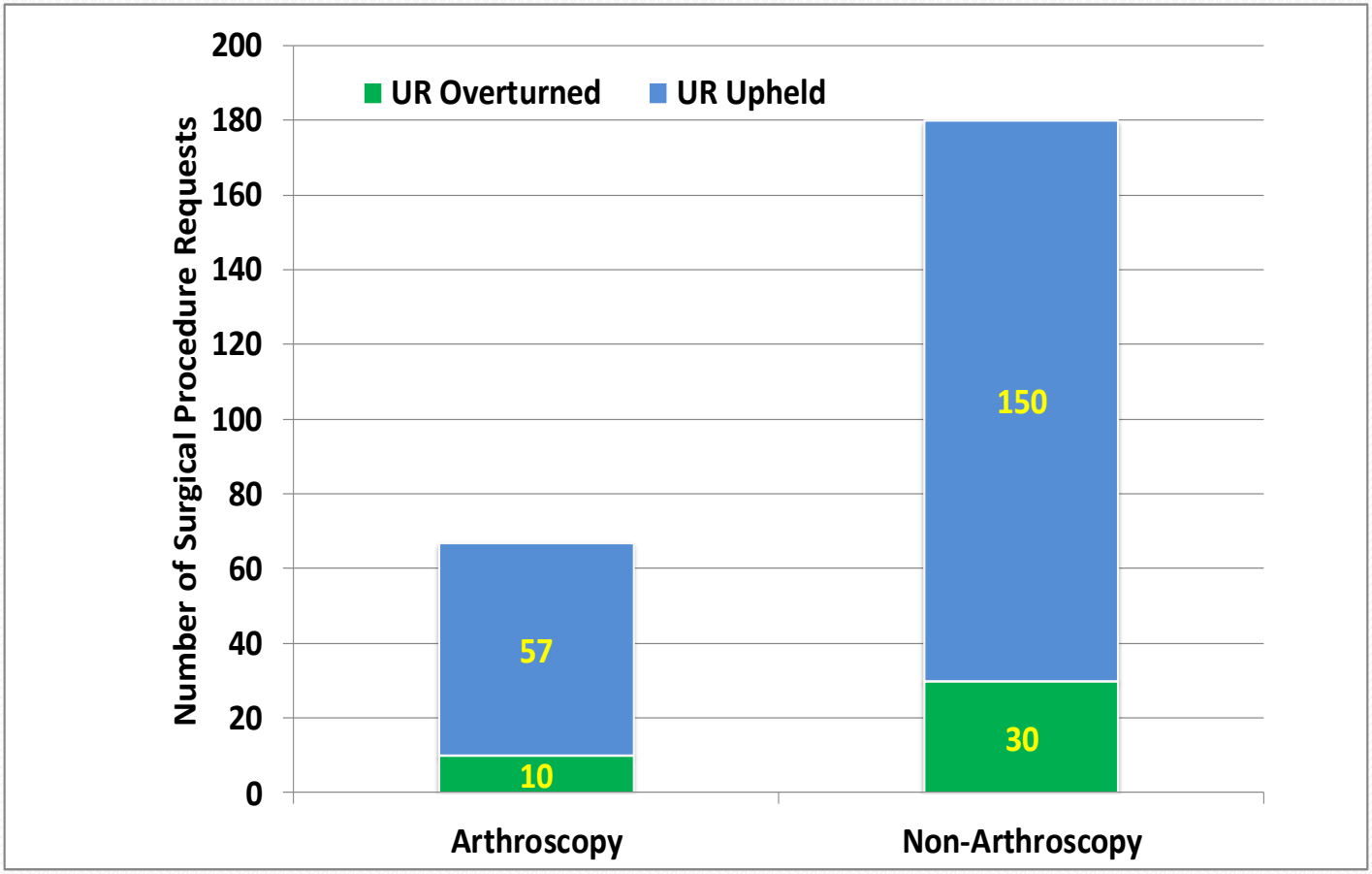
Data as of 12/26/13: 2,658 IMR Determinations

Spine Surgery
Most Common Surgical Request



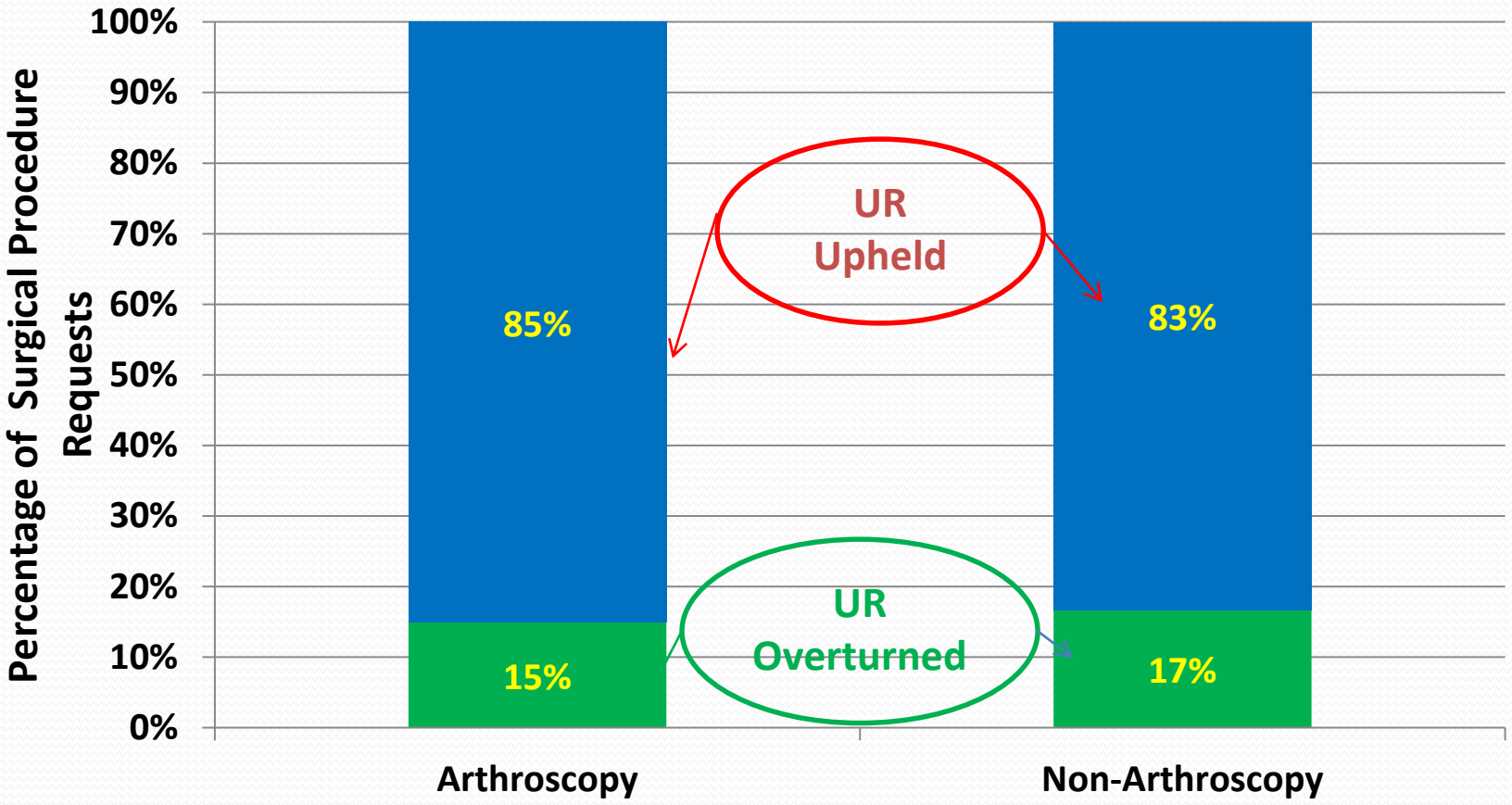
Determinations Thru December 26, 2013

Arthroscopy Decisions



Data as of 12/26/13

Arthroscopic vs. Non-Arthroscopic Surgery



Determinations Thru December 26, 2013

IMR Case Discussions

IMR Decision Hierarchy

- •Medical Treatment Utilization Schedule, LC § 5307.27
- Peer-reviewed scientific and medical evidence regarding the effectiveness of the disputed service
- Nationally recognized professional standards
- Expert opinion
- Generally accepted standards of medical practice
- Treatments likely to provide a benefit to a patient for conditions for which other treatments are not clinically efficacious

LC § 4610.5(c)(2)

Medical Treatment Utilization Schedule

- Doctors in California's workers' comp system are required to provide evidence-based medical treatment
  - Guidelines are laid out in the MTUS
- Set in regulation based on recommendations from a committee of experts under the guidance of the DWC Executive Medical Director
- “Rebuttable presumption of correctness”

Medical Evidence Evaluation Advisory Committee

- Lesley Anderson, M.D. – Orthopedic
- Melvin Belsky, M.D. – Physical Medicine and Rehabilitation
- Rajiv Das, M.D., M.P.H. – Occupational Medicine/Physical Medicine and Rehabilitation/Pain Medicine
- Mark Diaz, M.D. – Occupational Medicine (Subject Matter Expert)
- Mary Foto, O.T.R. – Occupational Therapy
- Gary Franklin, M.D.,M.P.H. – Neurology
- Leslie Israel, D.O., M.P.H. – Occupational and Environmental Medicine
- Dong Ji, Ph.D., L.A.C. – Acupuncture
- Claire Johnson, D.C., M.S.Ed. – Chiropractic
- Frank Kase, D.P.M. – Podiatry
- Joshua Kirz, Ph.D. – Psychology
- Michel Kliot, M.D. – Neurosurgery
- Ronald Koretz, M.D. – Internal Medicine
- Robert Larsen, M.D.,M.P.H. – Psychiatry
- Sean Mackey, M.D., Ph.D. – Pain Medicine
- Nancy Morioka-Douglas, M.D., M.P.H. – Family Medicine
- Lori Reisner, Pharm.D. – Pharmacology (Subject Matter Expert)
- Anne Searcy, M.D. – Family Medicine (Subject Matter Expert)
- Lee Snook, M.D., M.P.H. – Pain Medicine
- Leslie Torburn, D. P.T., M.S. – Physical Therapy

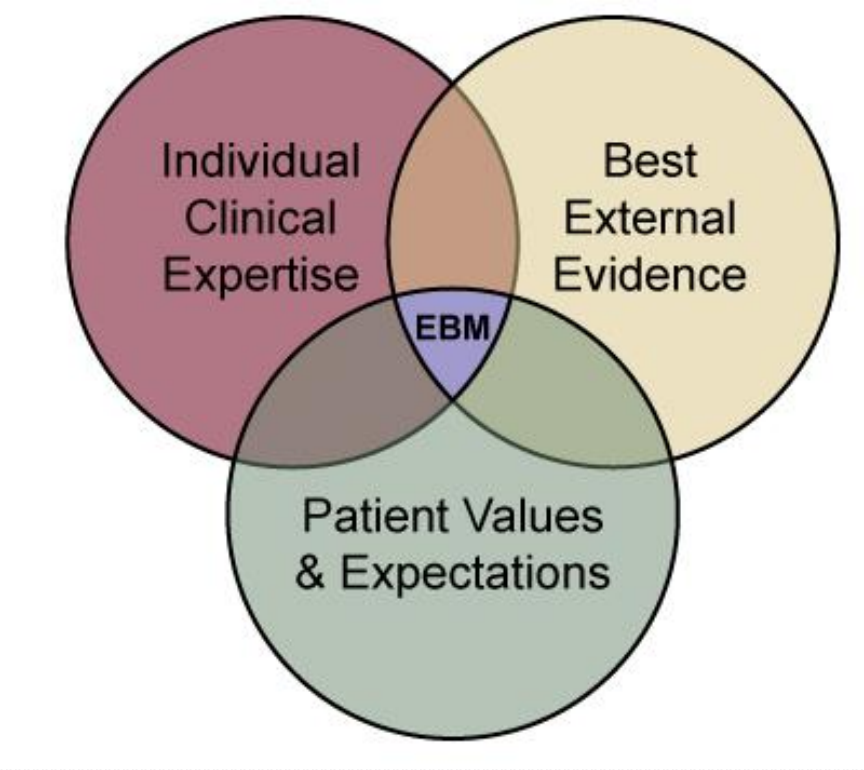
http://www.dir.ca.gov/dwc/MTUS/MTUS_DisclosureOfConflicOfInsterest.html

MTUS Regulations

- Clinical Topics
  - Neck and upper back
  - Shoulder
  - Elbow disorders
  - Forearm, writs, hand
  - Low back
  - Knee
  - Ankle and foot
  - Stress-related
  - Eye
- Special topics
  - Acupuncture
  - Chronic Pain
  - Post-surgical treatment

- *In Progress*
  - Strength of Evidence
  - Opioid Treatment
  - Updates of all sections
  - *To be combined with provider education*

Evidence-Based Medicine



http://www.cochrane.org/about-us/evidence-based-health-care

Proposed Strength of Evidence Regs

Clarifies process for ranking medical evidence

MTUS

(MTUS silent or not applicable)

Best available medical evidence in evidenced-based medical treatment guidelines or peer-reviewed published studies that are nationally recognized by the medical community

Evidence Search Sequence

ACOEM/ODG (five years old or less)

↓

Most current version of other evidence-based medical treatment guidelines

↓

Current studies, five years old or less that are scientifically based, peer-reviewed, and published in journals nationally recognized by the medical community

Levels of Medical Evidence

- **1a** Systematic review of randomized controlled trials with low risk of bias
- **1b** Randomized controlled trials, low risk of bias
- **1c** Randomized controlled trials, identified risks of bias
- **2** Non-randomized cohort studies that include controls
- **3** Case-control studies or historically controlled studies
- **4** Uncontrolled studies (case studies or case reports)
- **5** Published expert opinion

Who Must Use EBM?

- Medical providers in the workers' comp system are required to use the MTUS/EBM
- Patients benefit when clinicians use evidence-based practices in clinical settings
- UR and IMR must use the evidence search sequence and cite the level of evidence in their decisions

Independent Bill Review (IBR)

- Process to resolve disputes regarding the amounts paid for medical services in workers' comp system
- Will not apply to cases:
  - Where the injury itself is in dispute
  - Where there is a dispute about whether or not the provider is authorized to treat the worker
- Provided by an independent organization
  - Maximus Federal Services under contract until 12/31/14

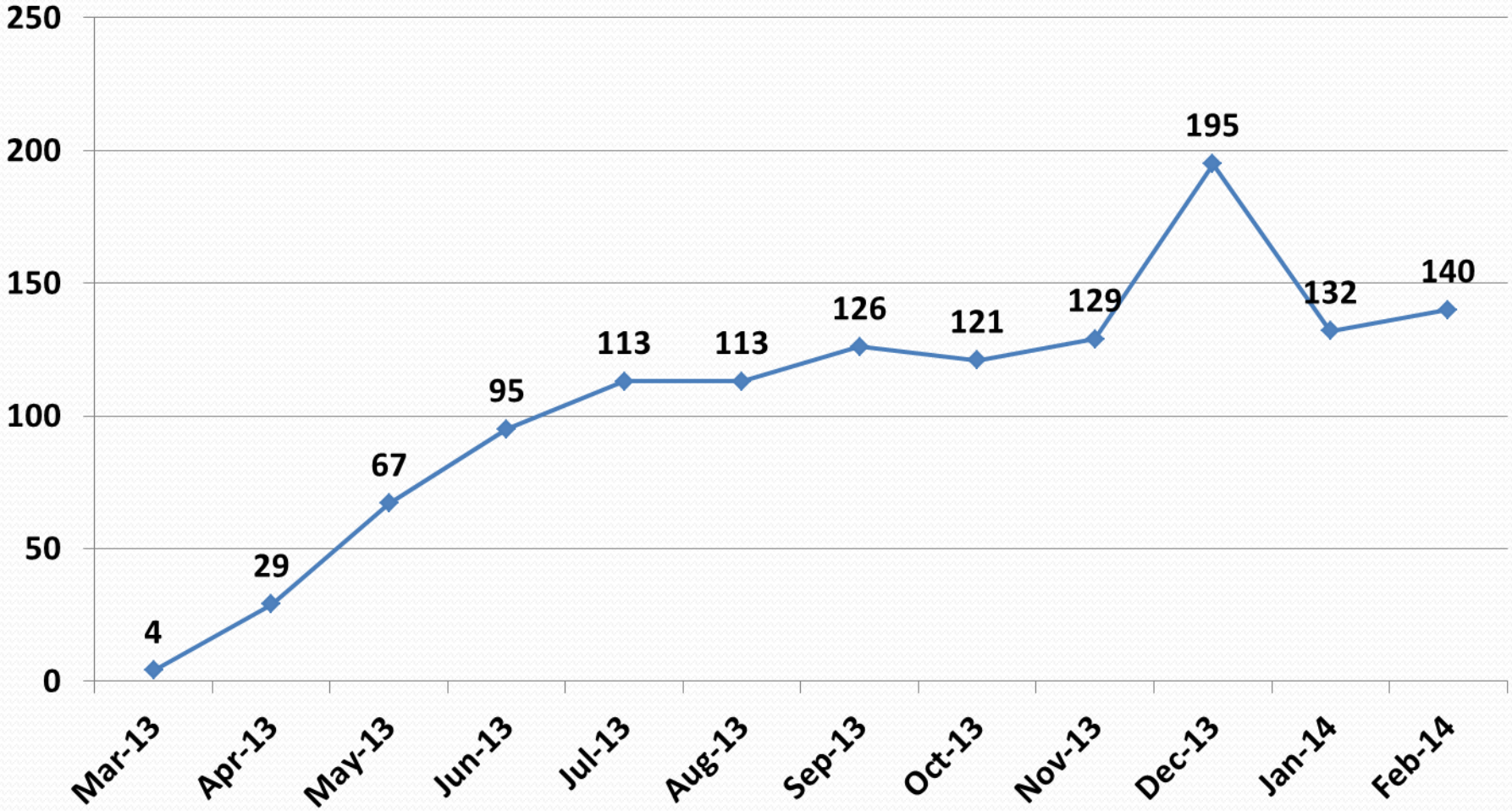
IBR: Who and What?

- Providers File for IBR
  - Must use the AD form (DWC Form IBR-1)
    - Can be completed online or mailed
  - Provider must pay a fee ($335)
    - Reimbursed by claims administrator if provider prevails
  - May request consolidation of separate requests
- There must be a fee schedule for service billed

What's Needed to Request IBR

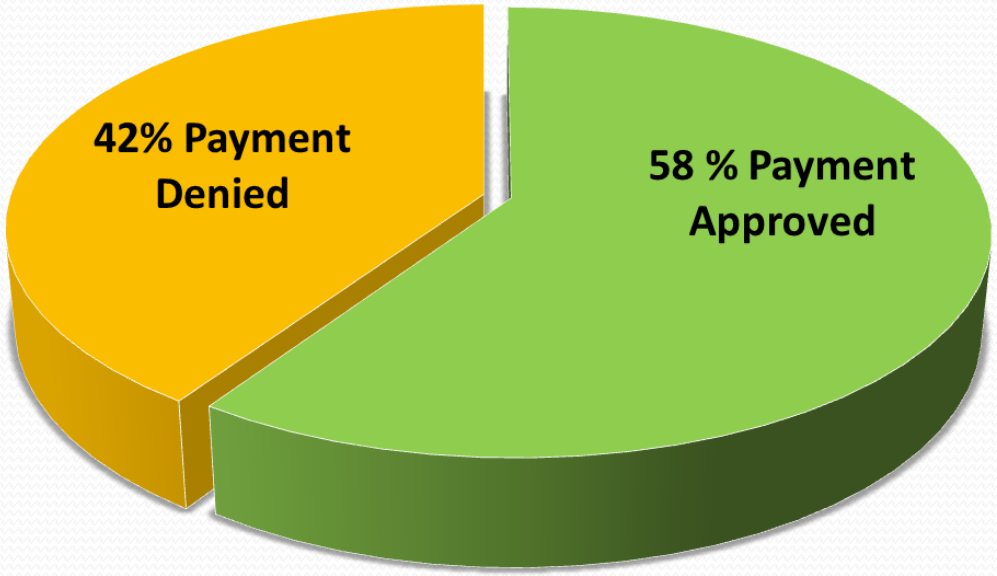
- **Initial bill review** by the Claims Administrator [Explanation of Review (EOR)]
  - Reasons for rejection or reduction of bill
- **Mandatory second review** requested by the provider with additional information
  - DWC Form SBR-1 or standard modified bill
  - Second Explanation of Review
  - Request within 90 days of first EOR

IBR Applications Received



Data to Feb 2014: 1,265 Determinations

Most IBR Determinations Provide Payment to Provider



266 IBR Decisions (109 Upheld and 157 Reversed)

Data to Feb. 2014

Medical Practitioner Fee Schedule

http://www.dir.ca.gov/dwc/OMFS9904.htm

Background to New Fee Schedule

- RBRVS under consideration since 1999
- SB 863 required adoption of RBRVS-based physician fee schedule
  - Annual updates
  - Four-year transition
  - Inclusion of ground rules that differ from Medicare as appropriate for WC

Major Differences Pre-2014 OMFS vs. New RBRVS-Based Fee Schedule

Pre-2014 Fee Schedule	RBRVS Fee Schedule - 1/1/2014
Charge-based relative values	Resource-based relative values
Single relative value for each procedure	Work, Practice Expense, Malpractice relative values for each procedure
Same relative value/fee regardless of site of service	Practice Expense relative value usually different in "facility" vs. "non-facility"
Multiple Conversion Factors	Multiple Conversion Factors, transitioning to single CF in 2017
No geographic adjustments	Apply average statewide geographic adjustments to Work, PE, MP
Non-physician practitioners and physicians paid same rate	Nurse Practitioners and Physician Assistants paid at 85% unless "incident to" physician service (then paid at 100%)
CPT Consultation Codes for consultations	Use CPT visit codes for consultations

Major Differences contd.

Pre-2014 Fee Schedule	RBRVS Fee Schedule - 1/1/2014
Separate payment for consultation service and consultation report	Consultation report bundled, not separately payable unless requested by an AME/QME or by the WCAB or Administrative Director
Prolonged E&M Service without direct patient contact CPT 99358/99359 payable	Prolonged E&M Service without direct patient contact CPT 99358/99359 NOT payable; Status Code B (bundled)
Interpreter used by patient – 110% of usual value of service	No extra payment for use of interpreter by patient
Anesthesia time units – 1 unit per 15 minutes for first 4 hours and 1 unit for each 10 minutes thereafter; 5 minutes or more is a unit	Actual anesthesia minutes reported divided by 15, then round the time unit to one decimal place
Anesthesia units increased for qualifying circumstances and specified patient status codes	No additional units

Major Differences contd.

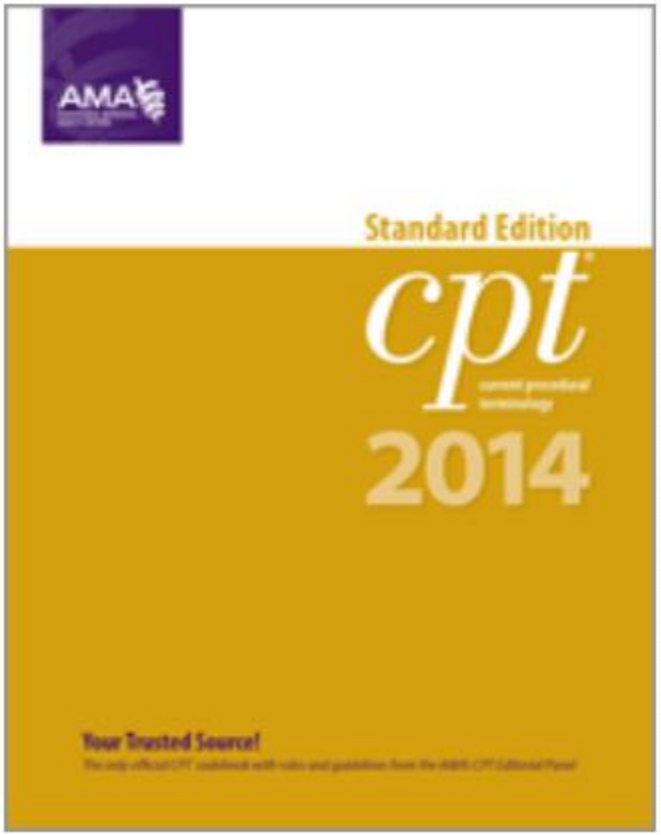
Pre-2014 Fee Schedule	RBRVS Fee Schedule - 1/1/2014
Physical Therapy Cascade Formula reduces 2nd – 4th procedures	Multiple Procedure Payment Reduction Formula is different and applies only to Practice Expense RVUs (not to Work RVUs, MP RVUs)
Radiology multiple procedures paid at full value	Radiology MPPR applies to specified major radiology codes (CT, MRI, Ultrasound)
Supplies and materials "beyond those usually included with the service" may be separately billed	Supplies and materials generally bundled into the payment for the procedure; not separately payable
No coding edits specifically included	National Correct Coding Initiative Edits
No E&M documentation guidelines specifically included	E&M Documentation Guidelines – 1995 and 1997 adopted

Procedure Coding – Mostly CPT

- AMA CPT® 2014

  https://commerce.ama-assn.org/store/

  It is incorporated by reference into fee schedule regulation. Purchase from AMA



- Other Codes Used
  - WC-specific codes (§9789.12.14) WC001 – WC012
  - Physician-administered drugs use HCPCS J codes and NDC codes
  - Radiopharmaceuticals use HCPCS Q codes and A codes
- Specified Exceptions to CPT Code usage
  - Codes listed in §9789.19
- National Correct Coding Initiative (NCCI) applied

Changes of Particular Interest

- Consultations use CPT, E&M codes
  - Separately payable under specific circumstances
- Multiple PT/acupuncture/ chiropractic
  - Multiple Procedure Payment Reduction (MPPR)
- Global surgery period
  - Surgical procedure, immediate pre- and postsurgical services, follow-up E&M services

Questions