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DWC to Start Gathering Data on UR Decisions

- *By Greg Jones*
- *State: California*

Depending on whom you ask, utilization review may be called a righteous tool to ensure California's workers' compensation system provides appropriate medical care, or a dangerous weapon that withholds from workers treatments their physicians think are necessary.



George Parisotto

The California Workers' Compensation Institute in 2015 published results of a study finding utilization review approves 94% of treatment requests. But detractors have criticized the report as using authorization in medical-only cases to inflate the approval rate.

The Division of Workers' Compensation has not gathered data on the types of treatments being approved or denied since utilization review was mandated by Senate Bill 899. That's about to change, thanks to a provision in [SB 1160](#).

The bill, which exempts certain treatment requests from prospective UR in the first 30 days following an injury, also requires the division to develop a system for mandatory electronic reporting of documents related to "every utilization review performed by each employer."

George Parisotto, acting administrative director of the DWC, said during the 24th annual Educational Conference in Los Angeles last week that the division is trying to figure out the kind of data to require so it can get a better understanding of what is happening with utilization review.

Right now, he said, the division has “no idea” about what’s getting approved and what’s getting denied through utilization review. To the extent that some of the denials are appealed to independent medical review, the division can get some sense of why treatments are being authorized or rejected, he said.

But Parisotto said the division wants to know what is requested, whether the requesting physician is part of an employer’s medical provider network, and the time frames for issuing decisions.

Alan Gurvey, managing partner of applicants' firm Rowen, Gurvey & Win, on Monday said the UR process should have been monitored from the beginning. At this point, gathering more data on UR “is just another way to divert attention from the real problems” and “delays the important fixes that need to be pursued.”

That said, he also acknowledged that “independent research” about what’s happening with UR decisions will be helpful to figure out “what data is to be believed.”

“I would challenge anyone from the employer's perspective to come into a legitimate applicant attorney’s office and review a week’s worth of UR denials, and speak to our clients,” he said. “While I don’t know the percentages, I can tell you, from an officer of the court, that there are an extraordinary number of denials on legitimate and appropriate treatment requests. In fact, we are seeing more and more denials on long-standing authorized treatment post-permanent disability award with an award of future medical treatment.”

Jerry Azevedo, a spokesman for the Workers’ Compensation Action Network, said on Monday he feels that UR is doing what it is supposed to do by ensuring that treatment provided is based on evidence-based standards.

“I think employers and insurers feel very confident that UR is working well and that it’s getting it right,” he said.

Azevedo said there is a value to knowing how well the UR process is working. The CWCI study published in 2015 that found more than 94% of treatment requests were approved already provides a basic understanding of “how vast the UR approvals are compared to UR denials,” he said.

Azevedo said a deeper dive into data to find out more about utilization review would be helpful, but any new reporting requirements are going to cost more money at a time when administrative expenses are a main area of concern. For people who complain about the administrative expenses in the system, new reporting requirements to get more data about UR will add another layer of costs, he said.

“You can’t add a new layer of data reporting without requiring some additional overhead to go into that,” he said. “We get knocked for the DWC not having transactional-level data. And once we generate that, we’ll be knocked for the cost of acquiring that data.”

Azevedo also said that regardless of what the DWC data ultimately shows, he suspects there will still be critics of the process.

“Even if UR says ‘yes’ the vast majority of the time, so long as UR has the ability to say ‘no,’ people will criticize it,” he said. “People will criticize any check in the workers’ compensation system that has the ability to stop certain elements from doing what they would like to do.”

Alex Swedlow, president of CWCI, also said any new reporting requirement will increase expense loads in California’s system, and those costs will eventually be passed on to employers. And he also said he understands why the DWC would like to have data showing what happens along “every link in the chain of medical services.”

Swedlow said there is no evidence of rampant denials of treatment in California’s work comp system.

In addition to the CWCI study finding more than 94% of treatment requests are approved through UR, independent medical review decisions are upholding about 90% of the denials that are appealed, showing that utilization review is often making the right decision, he said.