

# BUSINESS INSURANCE.

## Medical-review process data shows minimal denials overall

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Following the adoption of recent changes that streamline the California workers compensation medical review and approval process, 94.1% of medical services performed or requested for California injured workers were either approved or approved with modifications, according to a study released Tuesday by the California Workers' Compensation Institute.



Specifically, Oakland, California-based researchers found that 92.5% of services were approved and 1.6% were approved with modifications to the requested services post-reform, according to a statement on the findings.

The study measured medical service review outcomes in the first 10 months following the 2018 implementation of changes that altered the state's longtime utilization review process and the independent medical review process that took effect in 2013 following state reforms to the comp system.

The recent changes include adoption of a prescription drug formulary based on evidence-based guidelines, which exempts certain drugs from utilization review and changes that allow such exemptions for most medical services provided within 30 days of injury, basic services performed by state network providers that meet evidence-based guidelines, and emergency services, according to the statement.

The study found that overall, 29% of the services denied or modified by utilization review physicians went to independent medical review, where those physicians overturned 8.5% of the decisions they reviewed, raising the approval rate from 93.9% to 94.1%, according to the findings.

Final approval rates, however, varied significantly by service category, ranging from 78.6% for injections to 99.7% for evaluation and management services. In the pharmaceutical category, 88.1% of the prescriptions were approved by utilization review, 2.6% were approved with modifications, and 9.2% were denied. Following an independent medical review, 10.6% of the pharmaceutical denials and modifications were overturned, which pushed the overall approval rate for prescription drugs up to 88.6%.

Breaking out results for the top drug groups revealed wide-ranging results, with denial rates ranging from 2.9% for anti-inflammatories, which are exempt drugs under the formulary, to 18.0% for dermatological drugs and 20.9% for musculoskeletal therapy agents.

Opioids had a denial rate of 17.4% and the highest modification rate of any drug category at 8.2%, with most modifications involving reductions in the quantity of the drug or the number of refills for a prescription, according to the findings.