DWC Update

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DWC DIVISION OF WORKERS' COMPENSATION
CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS

State of California
Gavin Newsom
Governor

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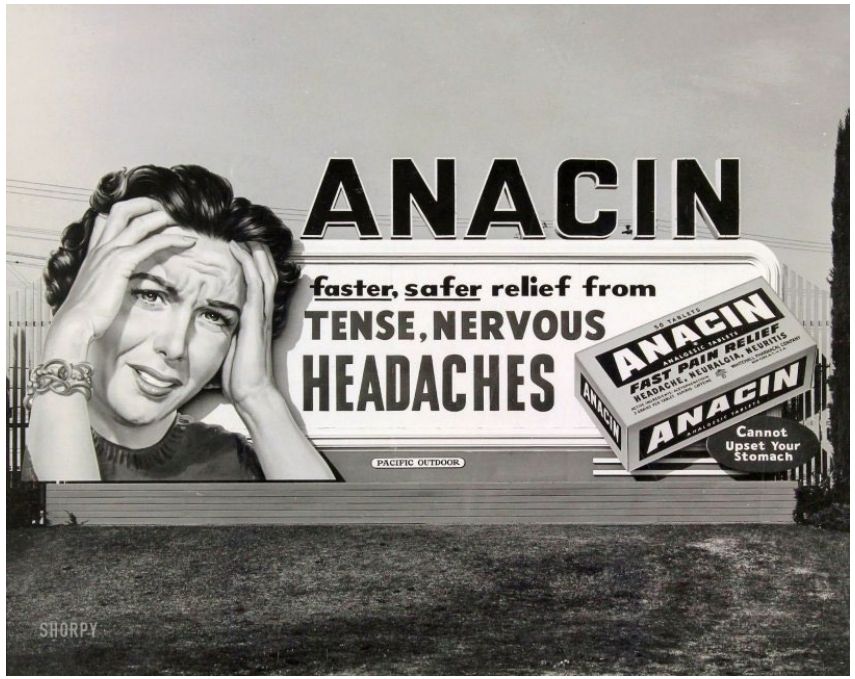

DWC DIVISION OF WORKERS' COMPENSATION
CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS

DWC Mission

The Division of Workers' Compensation (DWC) monitors the administration of workers' compensation claims, and provides administrative and judicial services to assist in resolving disputes that arise in connection with claims for workers' compensation benefits.

DWC's mission is to minimize the adverse impact of work-related injuries on California employees and employers.

DWC DIVISION OF WORKERS' COMPENSATION
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DWC Overview

- DWC is the largest division within the Department of Industrial Relations
- Approximately 1,100 employees statewide
- Vacancy rate is about15%
- 23 district offices throughout the state ranging from Eureka to San Diego
- Headquarters office is in Oakland

Division Organization

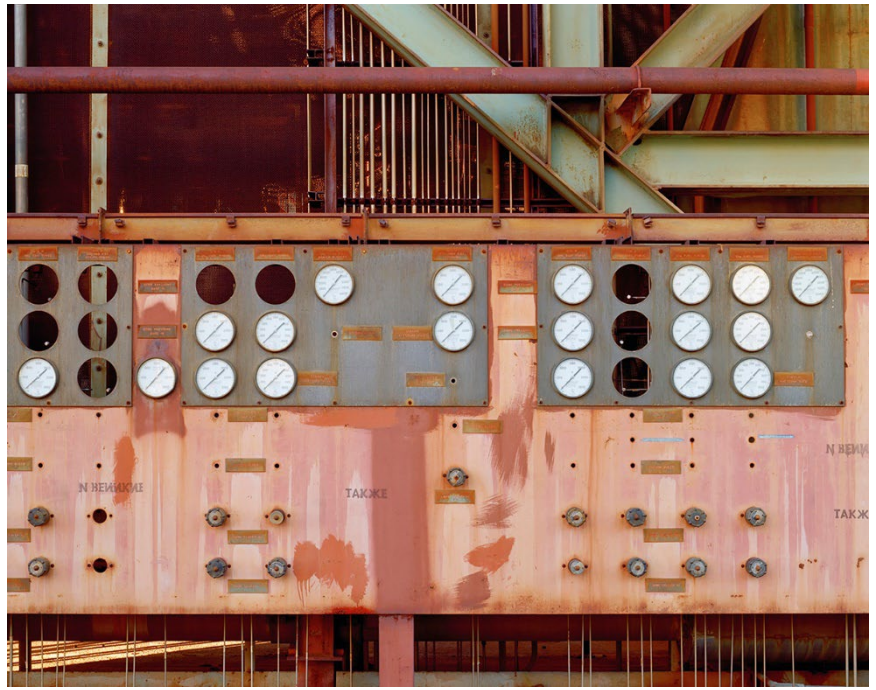
- Claims Adjudication
- Medical Unit
- Legal Unit
- Programmatic Services
  - Audit and Enforcement Unit
  - UEBTF Unit
  - SIBTF Unit
  - RTWSP Unit

Claims Adjudication

- 23 District Offices, which provide judicial services to injured workers and employers
- Information and Assistance (I&A) officers assist unrepresented injured workers
- Disability Evaluation Unit (DEU) raters determine permanent disability ratings
- WiFi in all District Offices
- Court Call video platform for hearing

Technology

- EAMS Modernization
  - Working with DIR IT Unit and California Dept. of Technology for selection of System Integrator
- WCIS Upgrade to IAIABC Version 3.1
- Forms and Website Updates
- Doctor's First Report
- Reporting Utilization Review Data to DWC



DWC Education

- QME Training Module: QME evaluation, apportionment and bias in reporting. This online two-hour course is open to the public and may also be useful for attorneys, claims administrators, and medical providers participating in the California workers' compensation system.
- Medical Legal Report Writing: Offers a comprehensive outline of essential components of a medical legal report, identifies key components, concepts and terminology of a medical legal report; and includes the option to create a medical legal report using a fillable outline.
- MTUS: An online course for treating physicians, qualified medical examiners, physician reviewers, other health care providers, and anyone else interested in learning how to use the MTUS.

DIR.CA.GOV (search Physician education)

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QME Legislation: AB 1293

Requires DWC to:

- Develop and make available a medical evaluation request form for communication with a panel QME in advance of an evaluation.
- Develop and make available a template QME report form which will include all necessary statutory and regulatory requirements for a complete QME report that constitutes substantial evidence.
- Establish by regulation a process by which a party to a case could submit a medical-legal report that is alleged to be inaccurate or incomplete to the medical director.
- Adopt regulations to implement these provisions by January 1, 2027.

SB 171: SIBTF

- Number of Applications filed have steadily increased (Jump in 2020)
  - This increase is despite new WC claims remaining relatively stable. Resulting in increase in both benefit and non benefit payments.

- SIBTF Staff 2010-2020 – 8

  2023 - 24

  Today - 48

  30 Additional Positions Allocated for this Year.

- Tightens eligibility Standards
- Addresses Medical Legal Evidence Requirements
- Provides for Statute of Limitations

Regulations

Electronic Filing in EAMS

5710 Deposition Fees

Interpreter Fee Schedule

Supplemental Job Displacement and Return to Work Supplemental Payment:

Qualified Medical Evaluator / SIBTF

ADA

Home Health Care and OMFS

Audit Regulations

WCIS

MTUS & MPN

Medical Treatment Utilization Schedule

Effective Date January 1, 2026

- **Amend Section** 9792.23.2. Shoulder Disorders Guideline.
- **Amend Section** 9792.23.3. Elbow Disorders Guideline.
- **Amend Section** 9792.23.4. Hand, Wrist, and Forearm Disorders Guideline.
- **Amend Section** 9792.24.5. Traumatic Brain Injury Guideline.

Effective Date April 1, 2026

- **Amend Section** 9792.23.8. Workplace Mental Health Guideline.

Effective Date June 1, 2026

- **Amend Section** 9792.22(a)(3). Initial Approaches to Treatment Guideline.
- **Amend Section** 9792.23.9. Eye Disorders Guideline.
- **Amend Section** 9792.24.2. Chronic Pain Guidelines.

Effective Date August 1, 2026

- **Amend Section** 9792.22(a)(3). Ankle and Foot Disorders Guideline
- **Amend Section** 9792.23.9. Hip and Groin Disorders Guideline

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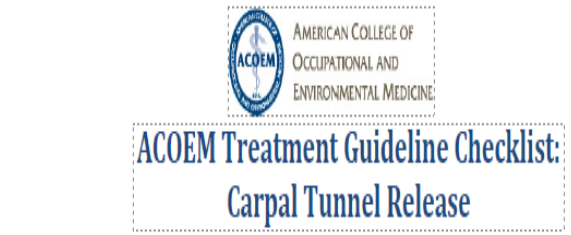
MTUS - Checklists

Not Mandatory; Not Adopted into the MTUS - Available as a tool for physicians



American College of Occupational and Environmental Medicine

ACOEM Treatment Guideline Checklist: Carpal Tunnel Release

Patient name (Last, First): _____

Claim number: _____

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☐ MTUS-ACOEM Practice Guideline Recommendations are **not** applicable to this case or are being rebutted.
Explain why:

_____

_____

_____

1. **A presumptive diagnosis** of carpal tunnel syndrome requires **ALL** of the following:
   - ☐ Numbness/tingling (paresthesia) in at least two median nerve served digits
   - ☐ Symptoms that are either nocturnal or on provocative clinical testing
2. **A confirmed diagnosis** of carpal tunnel syndrome additionally requires **at least ONE** of the following:
   - ☐ Confirmatory electrodiagnostic study (EDS) interpreted as consistent with CTS (i.e., median mononeuropathy)
   - ☐ Symptom improvement or resolution with injection of a glucocorticosteroid
3. **Surgical Considerations:**
   - ☐ Severe symptoms and signs (e.g., severe EDS, continuous paresthesia, thenar atrophy)

OR

- ☐ Lack of improvement with **at least TWO** of the following non-operative treatments for subacute/chronic CTS:
  - ☐ Nocturnal wrist splinting
  - ☐ Physical activity modifications if high exposure
  - ☐ Glucocorticosteroid injection
  - ☐ Oral glucocorticosteroids
  - ☐ Phonophoresis

OR

- ☐ At least one glucocorticosteroid injection with documentation of at least partial or complete relief followed by a return of symptoms

4. **Re-operation Indications:**
   - ☐ A prolonged period of significant improvement (>12 months) followed by recurrence of symptoms

   OR

   - ☐ Clinical evidence of incomplete release

Clinicians must check a box in each section of this checklist to demonstrate that the appropriate diagnosis and progression of care have been provided in accordance with the ACOEM Guidelines. This completed checklist may be used by the surgeon and/or surgeon's staff to help facilitate any potential Utilization Review (UR) to approve the surgical treatment.

Medical Provider Network Regulations

- Under Internal Review
- Updated Requirements: Implementation date - pending

❖Electronic Submission of Plans

❖Clarity in Listings

❖Physician Acknowledgments

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Section 9767.3. Requirements for an MPN Plan

- Telehealth address: If the physician is providing telehealth services only, the office address filed with the physician's licensing board or if this is a residential address then an alternative physical address where service on the physician can occur shall be used and an additional column shall be provided to indicate the geographic service area in California to be serviced by the telehealth provider.
- Telehealth only providers shall not be considered in the access standards calculation for the MPN application as they do not meet the requirements of Business and Professions code section 2290.5. A judge or the Workers' Compensation Appeals Board may consider telehealth only providers in a determination as to access standards.
- NPI numbers are being requested; or a statement that the provider is not eligible for an NPI number.
- Listing are minimum listing; so additional information can be listed (ex: scheduling email, website or phone number)

Section 9767.5. Access Standards

(d) A workers' compensation judge or the Workers' Compensation Appeals Board may determine that an injured worker may seek treatment outside the MPN if the MPN does not have at least 3 primary treating physicians, each from a different medical practice group, within a reasonable geographic service area.

9767.1: (17) "Medical Practice Group" means two or more providers who provide medical care within the same facility, they utilize the same personnel and divide the income in a manner previously agreed upon by the group.

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Section 9767.5.1. Physician Acknowledgements

- Signature must be accompanied with a date.

- The acknowledgement shall be obtained every four years unless the MPN can show that the physician has treated workers' compensation cases for that MPN in the four-year period and show that the physician has opted into the MPN through a written acknowledgement or an MPN provider data base that complies with section (c).

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Section 9767.12. Employee Notification

- MPN provider directory shall not be password protected.
- The directory shall include, at a minimum, the name of each individual provider and their office address and office telephone number. If the ancillary service is provided by an entity rather than an individual, then that entity's name, address, and telephone number shall be listed. The MPN provider directory shall list out separately primary treating physicians by name, and not by entity, in a single searchable list by medical specialty and location. The MPN provider directory shall list out separately interpreters by name, and not by entity, in a single searchable list by language certification and location.
- The employee notification in bold 14 point font at the top of the notification must state: "Retain This Document and Take to Your Medical Appointments."

Statewide MPN ?

AB 1498 (Soria, 2025) This bill would have expanded the medical provider network (MPN) process by requiring the Division of Workers' Compensation (DWC) within the Department of Industrial Relation to establish a statewide MPN database aimed at improving access to medical treatment for injured workers in the San Joaquin Valley region. The bill died in the legislature.

AB 1465 (Reyes, Gonzalez, 2021) This bill would have required the Administrative Director (AD) of the Division of Workers' Compensation (DWC or the Division) to establish a statewide MPN, called California Medical Provider Network (CAMPN). This bill died in the Senate.

River Sung - DWC Attorney

River Sung is an Attorney IV at the Division of Workers' Compensation. She entered workers' compensation law in 2012 after working for several years as a healthcare attorney in both private and public sectors. Her current duties include overseeing and advising on the UR (Utilization Review), IMR (Independent Medical Review), and HCO (Health Care Organizations) programs. She has a B.A. from the University of Hawaii and obtained her law degree from the University of the Pacific, McGeorge School of Law.

What is Utilization Review:

Utilization review (UR) is the process used by employers or claims administrators to review medical treatment to determine if it is medically necessary.

All employers or their workers' compensation claims administrators are required by law to have a UR program.

UR is governed by Labor Code section 4610 and regulations, sections 9792.6.1 to 9792.9.8 of title 8 of the Cal Code of Regs.

Types of UR:

Prospective Reviews (before treatment)

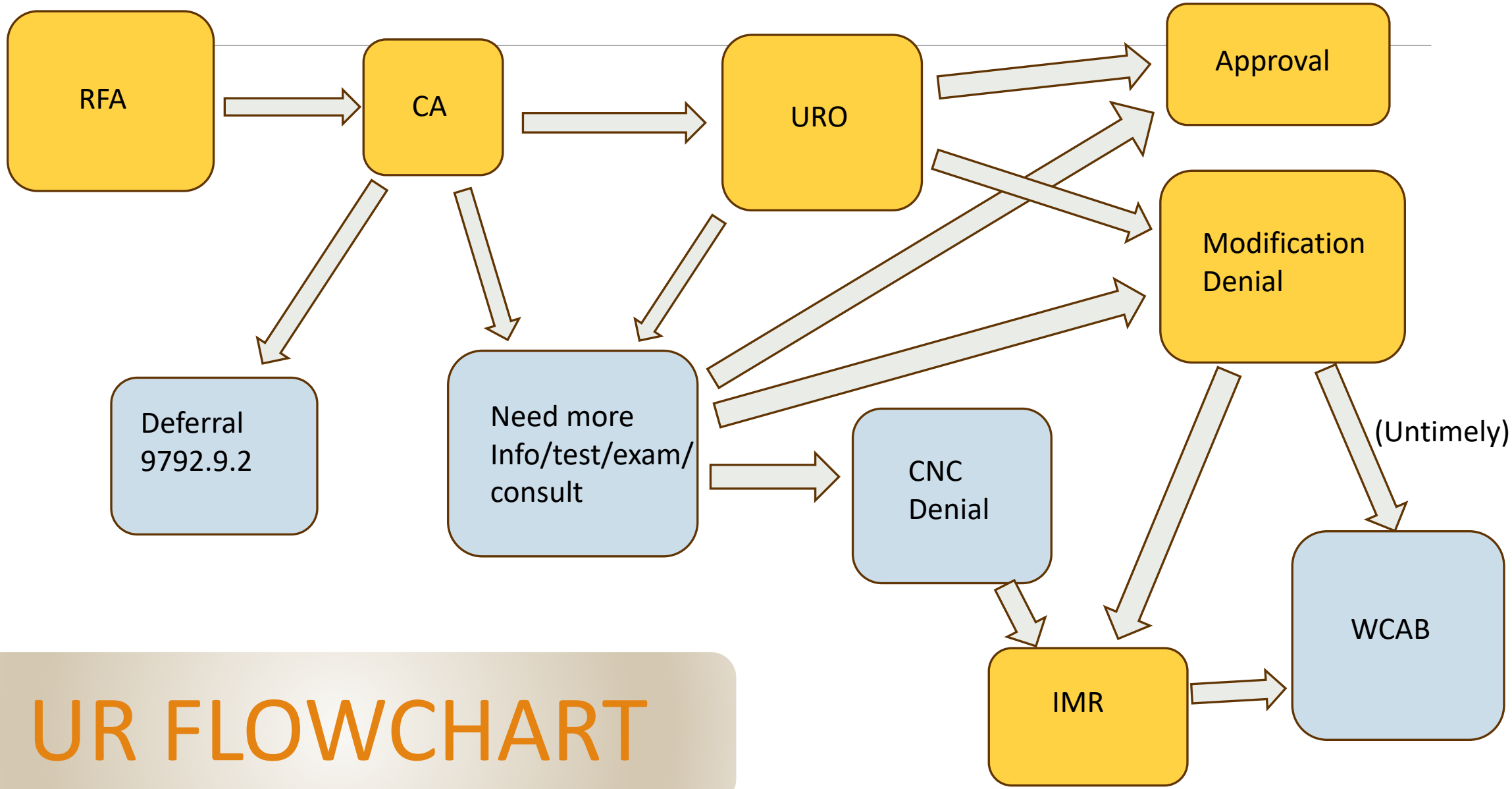
- Response in 5 business days,
- 72 hours if urgent/expedited

Concurrent Reviews (during treatment, usually inpatient)

- Response in 5 business days,
- 72 hours if urgent/expedited

Retrospective Reviews (after treatment)

- 30 days



UR FLOWCHART

Recent Utilization Review Changes:

Regulations to implement statutory changes from SB 1160 and AB 1124.

- ✓30-Day Rule
- ✓Fast-track for Formulary Drugs
- ✓URAC Accreditation and DWC Approval

Care coordination

Reorganization of UR Investigation Regs

Miscellaneous

30-DAY RULE (9792.9.7)

When does it apply?

- Within 30 days from DOI
- Accepted claim
- Consistent with guidelines*
- Documentation Requirements (DFR, RFA, Bills)

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What treatments are NOT captured?

LC 4610(c)

- Definition of "surgery" includes….
- Psychological treatment includes….
- DME > $250 as determined by OMFS or, for unlisted item, where billed amount is > $250.

(Unless emergency or prior auth)

30-DAY RULE: REMEDIES IF ABUSED (9792.9.7(C))

Retrospective Review → Pattern & Practice?

- "Pattern and Practice" = inconsistent with guidelines "for 20 separate and unrelated recommended medical services or goods with 10 or more injured workers over the course of 3 months; or for 8 separate and unrelated medical services or goods with 2 or less injured workers within a month. (9792.9.7(c)(2).)
- Remove treatment under 30-day rule
- File a change of PTP under section 9786
- Terminate from MPN/HCO

Failure to Submit Required Documentation (DFR; RFA; Bill)

- Remove "privilege" for remainder of 30-days

Appealable to the WCAB

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Interplay with Drug Formulary

- **Formulary exemption is separate exemption to prospective UR**
- **UR Timeframe Differences**
  - Drugs must be decided within 5 business days
  - Shortened timeframe continues in IMR
  - Drug and Non-drug on same RFA: Follow non-drug timeline.

Adverse UR Determination: Payment an be withheld but not if drug was rendered under 30-day rule.

UR investigations

No performance rating

Greater number of files subject to investigation for larger UROs

Greater proportion of mods/denials (40%)

Increase in penalties

Systemic issues may result in probation or withdrawal of UR plan approval.

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Care coordination

- “Completed” RFA definition change - must be accompanied by substantiating documentation (e.g., PR-2) issued or created no earlier than 30 days of RFA submission.
- “Written” communication includes email or EDI (electronic data interchange) if agreed to by the parties. Health records must be encrypted. Thus, RFAs may be submitted via (encrypted) EDI if CA agrees. (9792.6.1(bb) & 9792.9.1(a).)
- CAs must send info to new physician (in and out of MPN) within 20 days of notice. (9767.6(f) & (9781(d).)

IMR Applications

Calendar Year	Total Number of Applications Filed	Total Number of Unique Applications	Total Number of Applications Deemed Eligible
2025	201,037	167,699	152,956
2024	199,651	164,238	148,106
2023	175,027	144,999	133,093
2022	170,855	140,386	129,298
2021	178,927	145,702	136,828
2020	184,100	148,713	139,411
2019	222,236	177,204	165,610
2018	252,565	199,956	185,783
2017	248,251	192,538	175,118
2016	249,436	196,057	172,452
2015	253,779	195,685	165,427
TOTAL	**2,335,864**	**1,873,177**	**1,704,107**

IMR Ineligible Applications

Calendar Year	Total Number of Unique Applications	Total Number of Ineligible Applications	Percent of Applications Deemed Ineligible
2025	167,699	14,743	8.8%
2024	164,238	16,132	9.8%
2023	144,999	11,906	8.2%
2022	140,386	11,088	7.9%
2021	145,702	8,874	6.1%
2020	148,713	9,277	6.1%
2019	177,204	11,594	6.5%
2018	199,956	14,173	7.1%
2017	192,538	17,420	9.0%
2016	196,057	23,605	12.0%
2015	195,685	30,258	15.5%
TOTAL	**1,873,177**	**169,070**	**9.0%**

IMR Reasons for Ineligibility

Reason	Total 2022	Total 2023	Total 2024	Total 2025
No Signature on Application	996	1,249	1,156	996
Untimely Filing	2,116	1,984	2,354	2,481
No UR Report Attached	2,431	2,467	2,883	2,586
No Signature and No UR Report	109	113	94	85
Conditional Non-certification (CNC)	4,266	4,892	8,396	7,491
Other	1,170	1,201	1,249	1,104
TOTAL	**11,088**	**11,906**	**16,132**	**14,743**

IMR Decision Letters Issued

Calendar Year	Total Number
2025	152,351
2024	141,621
2023	130,774
2022	127,046
2021	133,400
2020	136,698
2019	163,698
2018	184,672
2017	172,145
2016	175,960
2015	165,496
TOTAL	**1,684,115**

IMR Mailed and Processing Time

Month	Total Issued	Average Age from Assigned Date (days)	Average Age from Complete Records (days)
January 2025	13,619	32	8
February 2025	12,364	27	8
March 2025	12,410	25	6
April 2025	12,859	25	6
May 2025	12,480	25	7
June 2025	11,909	25	7
July 2025	12,797	25	6
August 2025	12,452	25	6
September 2025	13,589	27	7
October 2025	14,235	24	7
November 2025	10,141	25	6
December 2025	13,496	26	7
TOTAL	**152,351**	-	-

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IMR Treatment Requests and Outcomes

Category	Total Number in 2025	Upheld	Overturned
Accommodation	235	91.9%	8.1%
Behavioral and Mental Health Services	4,443	81.7%	18.3%
Diagnostic Testing	30,531	86.3%	13.7%
DMEPOS	26,619	89.9%	10.1%
Evaluation and Management	12,486	83.2%	16.8%
Home Health	1,730	89.8%	10.2%
Injection	24,978	93.3%	6.7%
Pharmaceuticals	81,576	91.0%	9.0%
Programs	3,882	81.5%	18.5%
Rehabilitation	61,055	91.1%	8.9%
Surgery	18,360	89.4%	10.6%
Transportation	861	96.4%	3.6%
TOTAL	**266,756**	**89.8%**	**10.2%**

IMR Pharmaceutical Requests

Drug Class	Total Number in 2025	Upheld	Overturned
Antidepressants	15,405	94.0%	6.0%
Anti-Epilepsy Drugs	7,440	92.8%	7.2%
Anti-Infectives	2,170	75.9%	24.1%
Benzodiazepines	1,417	95.1%	4.9%
Laxative	867	95.0%	5.0%
Muscle Relaxants	1,589	87.7%	12.3%
NSAIDs	10,488	81.1%	18.9%
Opioids	17,506	93.2%	6.8%
Antiulcer Agents	2,337	81.7%	18.3%
Sedative / Hypnotics	1,618	93.6%	6.4%
Topical Analgesics	12,863	98.6%	1.4%
Other Pharmaceuticals	7,876	85.3%	14.7%
TOTAL	**81,576**	**91.0%**	**9.0%**

IMR Decisions by Geographic Region

Region	Total Number in 2025	Overturn	Partial Overturn	Uphold
Bay Area	32,100	8%	6%	86%
Central Coast	10,270	8%	6%	86%
Central Valley	21,018	7%	5%	88%
Eastern Sierra Foothills	2,833	7%	4%	89%
Inland Empire	27,538	6%	6%	88%
Los Angeles	32,452	6%	6%	88%
North State-Shasta	1,896	7%	5%	88%
Sacramento Valley	7,682	8%	5%	87%
Sacramento Valley-North	2,644	6%	6%	88%
San Diego	9,967	9%	6%	85%
Out-of-State/Others	3,951	6%	5%	89%
TOTAL	**152,351**	**7%**	**6%**	**87%**

IBR Applications Filed

Calendar Year	Total Number of Applications Filed
2025	4,770
2024	3,958
2023	3,422
2022	3,921
2021	3,159
2020	1,875
2019	1,644
2018	1,692
2017	2,151
2016	2,385
2015	2,344
TOTAL	**31,321**

IBR Fee Schedule

Note: IBR Applications may list more than one fee schedule category

Fee Schedule	Total Number in CY 2024	Total Number in CY 2025
Interpreter Services	2,598	2,790
Physician Services	748	1,116
Contract for Reimbursement Rates	136	310
Medical-Legal Fee Schedule	272	158
Hospital Outpatient Department & Ambulatory Surgical Centers	132	280
Pathology & Laboratory Services	42	53
Inpatient Hospital Services	25	48
Durable Medical Equipment, Prosthetics, Orthotics & Supplies	3	12
Ambulance Services	2	2
Pharmaceutical	-	1
TOTAL	**3,958**	**4,770**

IBR Case Dispositions

***Includes two cases in which reimbursement for in-person services ranged from $116,000 to $198,000**

****Includes three cases in which reimbursement for in-person services ranged from $117,000 to $680,000**

*****Includes four cases in which reimbursement for in-person services ranged from $234,000 to $2,026,000**

Case Disposition	*Issued in 2022*	*Issued in 2023*	*Issued in 2024*	*Issued in 2025*
Overturned	2,254	2,792	2,795	3,595
Upheld	209	146	215	357
Withdrawn	107	87	79	368
Ineligible	586	1,448	291	91
Total	3,156	4,473	3,380	4,411
Awarded Amounts for Overturns (including filing fee reimbursement)	**$3.68 million**	**3.87 million***	**$3.79 million****	**6.91 million*****

IBR Applications by Region

2025

Region	Total Number
Bay Area	292
Central Coast	860
Central Valley	57
Eastern Sierra Foothills	19
Inland Empire	973
Los Angeles	1,918
North State-Shasta	5
Sacramento Valley	106
Sacramento Valley-North	1
San Diego	141
Out-of-State/Others	398
TOTAL	**4,770**

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Medical Access Study - Labor Code Section 5307.2

- Analyze access issues with regard to specialists in the workers' compensation system and make recommendations, including but not limited to adjustments to the fee schedule, on how to maintain access to highly skilled specialists ensuring the highest quality of medical care is provided to the injured worker.
- Analyze whether MPNs impact injured worker access to providers, examining both the ability to get timely appointments with primary care as well as care with specialists and the effect of additional discounting of fees below the OMFS as a condition of being included in networks.
- Analyze whether UR, IMR, and IBR are having a negative impact on physicians' willingness to participate in the workers' compensation system.
- Effect of Telehealth on access.

UR Study: Treatment During 1st 30 Days

- DWC is required by LC section 4610(q) to hire an outside research company to evaluate the impact of that provision on medical treatment during the first 30 days after a claim is filed.

- This will require the collection and analysis of data relating to utilization review approvals, modifications, and denials.

- DWC contracted with RAND Corporation to complete the study.

QME Study

- Contract with RAND Corporation
- Does the current Med-Legal Process satisfy the purpose of the systems as it was initially envisioned by the Legislature?
- Is the Med-Legal Process, including the current fee schedule, sustainable?
- In what ways can the Med-Legal Process be improved to satisfy the purpose that has been identified and as the system has been utilized?

Thank you

The division will not take questions today. If you have any questions about this presentation or information provided you can visit our website at:

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Or Email:

DWCAD@dir.ca.gov

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