



Washington State Department of
Labor & Industries

Independent Medical Exam (IME) Report

May, 2023

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Introduction

Engrossed substitute senate bill 6440 (2020) amended requirements for Independent Medical Examinations (IMEs) for administration of workers' compensation claims by the Department of Labor & Industries (L&I). The changes affected those employers who purchase workers' compensation coverage from the department (the "State Fund") as well as those that are self-insured.

The legislature also tasked the department with establishing an IME Work Group to discuss ways to improve the IME process and report findings and recommendations to the legislature by December 11, 2020. Their report can be found among L&I's 2020 reports to the legislature at <https://lni.wa.gov/agency/legislature/>.

This new data report on IMEs is a result of the creation of WAC 296-23-403 *"The department will regularly provide independent medical examination data to interested parties that includes emerging trends. As much as possible, the data should include and differentiate between examinations for claims insured by the department and those covered by self-insured employers"*.

The time period covered in this report is for claims with dates of injury or manifestation from January 1, 2018 through June 30, 2022. In the few cases where this differs, the time period covered is specified.

IMES

An IME is an Independent Medical Examination that is requested by either a State Fund adjudicator or a self-insured employer. The medical exam may be requested in order to assist a claim manager throughout the lifetime of the claim. IMEs may also be arranged in response to a request or issue raised by the attending doctor or the employer of injury. High-quality examinations provide unbiased, accurate, and medically sound information to assist adjudication of the claim.

For State Fund and self-insured claim managers, IMEs are an important tool to help them make decisions about what treatment is needed, whether a condition is related to the workplace injury, and what benefits the worker may be entitled to receive.

L&I regularly collaborates with stakeholder groups to improve IME processes and the quality of service provided to customers.

DISCRETIONARY NOTE

The information in this report is shared in the interest of transparency, and to inform discussion around the topic of IMEs with the data available to L&I. Comparative analyses between the two workers' compensation systems, State Fund and Self-Insurance, are presented.

Data from the State Fund is complete. It includes all State Fund claims and medical bills incurred from those claims. Therefore, it represents real trends in State Fund claims.

Self-Insurance data is dependent on employer self reporting; therefore the data reported may not be complete. Because of this, the number of IMEs in self-insured claims may not be accurately represented. L&I continues to work with the Self-Insured community to increase participation in medical bill reporting, which will make the data more complete in the future.

Data Sources

Data sources differ between claims managed under the State Fund and those managed by self-insurers. The principal difference is that self-insured data is dependent on employer reporting while State Fund data is not. Therefore, the ability to compare data is limited. This section provides additional information about these data sources.

SELF-INSURANCE MEDICAL BILL EDI

The Self-Insurance Medical Bill Electronic Data Interchange database (SI EDI) collects and stores medical bill data from self-insured employers in Washington state. It uses International Association of Industrial Accident Boards and Commissions (IAIABC) EDI Medical Bill Data Reporting Release 2.0 standards.

Data first began to be collected from voluntary reporters in July 2017. On January 1, 2020, reporting of medical bills became mandatory for WA self-insurers per [WAC 296-15-232](#) for claims with date of injury January 1, 2020 and later. Medical bill reports are required for all claims where medical services were performed whether they are identified as medical-only or time-loss.

STATE FUND IME BILLING DATA

The State Fund data in this report is pulled from L&I's medical payment system and claims database. This database is not dependent on individual reporting as L&I manages the claims and all bills are submitted in order to be paid. State Fund billing data may have up to a six month delay in time in order to capture all data.

Independent Medical Examination (IME) Data

The data provided here is intended to share a view of both the State Fund and self-insurance.

METHODS

How are IMEs per claim counted?

One IME could generate multiple bills, especially for IME panels where the worker may need to attend more than one appointment. The data available between State Fund and self-insurance differs, so counting the number of IMEs based on bill data is a best estimate based on a few rules:

- Bills containing procedure codes 1108M, 1109M, and 1118M can be counted as IMEs. Other codes, while related, indicate various administrative line items that should accompany one of these three codes.

1108M	IME – standard, single
1109M	IME – complex, single
1118M	IME – by psychiatrist

- Bills with service date within 60 days of a previous bill for the same claim are not counted as separate IMEs because there is a very high likelihood that they are part of the same IME.

What does “since date of injury” mean?

Data broken out by year shows the number of IMEs that have occurred from the date of injury to the moment data was pulled, regardless of when the IME occurred (e.g. claims with date of injury in 2018 show number of IMEs whether the IMEs occurred in 2018, 2019, 2020, and so on).

Why is data broken out by date of injury?

Date of injury is the only comparison field for both State Fund and Self-Insurance that carries the same definition. Previous reports done by State Fund were using the IME referral date to count volume. The SI Medical Bill EDI system does not have referral information.

IME DATA

IMEs per Claim Since Date of Injury

Figure 1.1: IMEs per Claim Since Date of Injury (Self-Insurance)

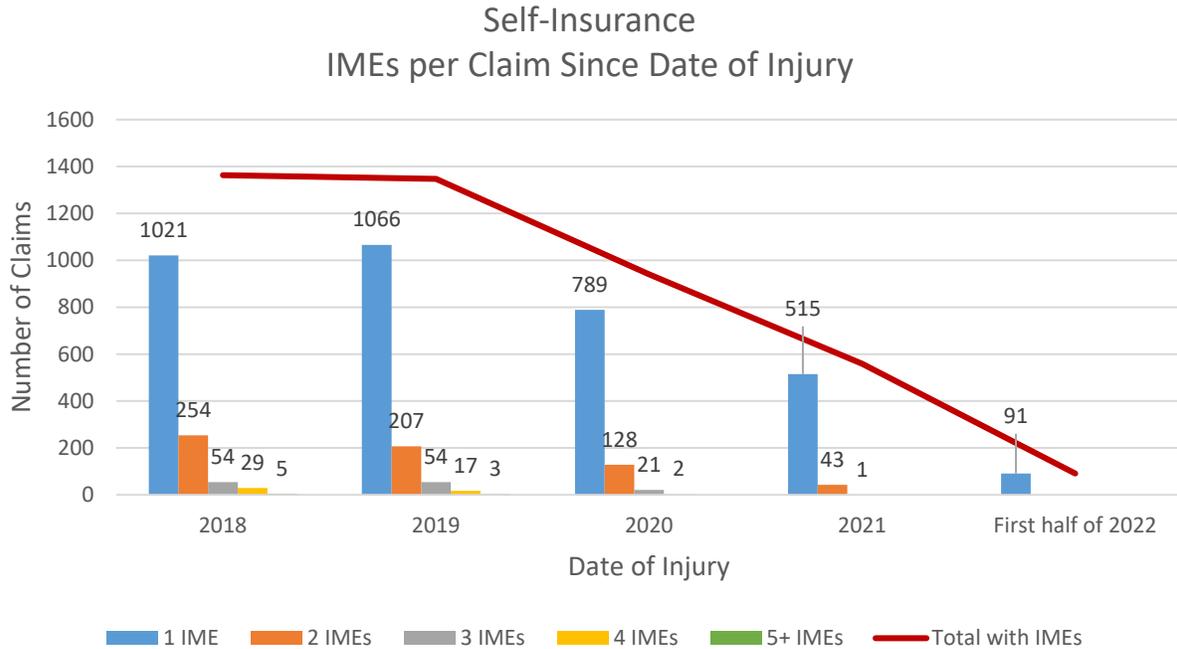


Figure 1.1 shows the number of IMEs per claim for self-insurance since the claim injury date. The number of IMEs represented are based only on those reported to the department. The purpose of displaying this data is to compare the relative number of claims that have had one or more IMEs since their date of injury from the data that is available.

The lower overall number for SI claims in 2018, in comparison to 2019, most likely reflects EDI participation trends more so than any true changes in IME volume in the SI community. Data collection began in mid-2017, and voluntary participation continued to rise into 2019.

Table 1: Number of self-insured claims received by year (with at least one medical bill reported).

2018	2019	2020	2021	2022
Total: 27,756	Total: 30,441	Total: 23,747	Total: 23,215	Total: 10,721*

*Covers first half of 2022 only.

Figure 1.2: IMEs per Claim Since Date of Injury (State Fund)

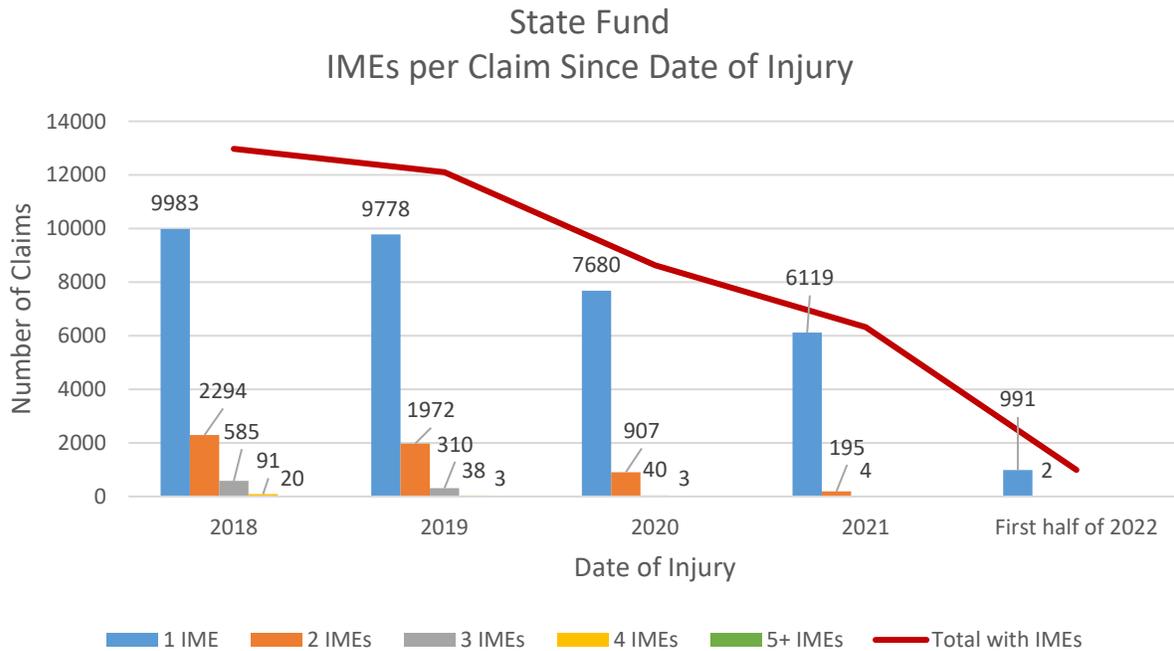


Figure 1.2 shows similar data as figure 1.1, but for State Fund. The State Fund system is not reliant on reporting from employers; data is available once the bill is paid. A provider has one year from the date of service to send a bill.

Table 2: Total number of state fund claims received by year (with an allowed medical service).

2018	2019	2020	2021	2022
Total: 103,511	Total: 102,065	Total: 80,612	Total: 86,276	Total: 41,476*

*Covers first half of 2022 only.

Percent of Claims with IMEs Since Date of Injury

In figures 1.3 – 1.6, State Fund data includes any claim where an IME was completed. The percent of claims is calculated as “number of claims with a completed IME” divided by the “total number of State Fund claims as shown in Table 2.”

For self-insurance, percentages are based only on claims for which there is bill data available in SI EDI. Thus the percent of claims is calculated as “number of claims where an IME bill was reported” divided by the “number of claims where any type of medical bill was reported as shown in Table 1.”

Figure 1.3: Percent of Claims with Any Number of IMEs Since Date of Injury (Self-Insurance and State Fund)

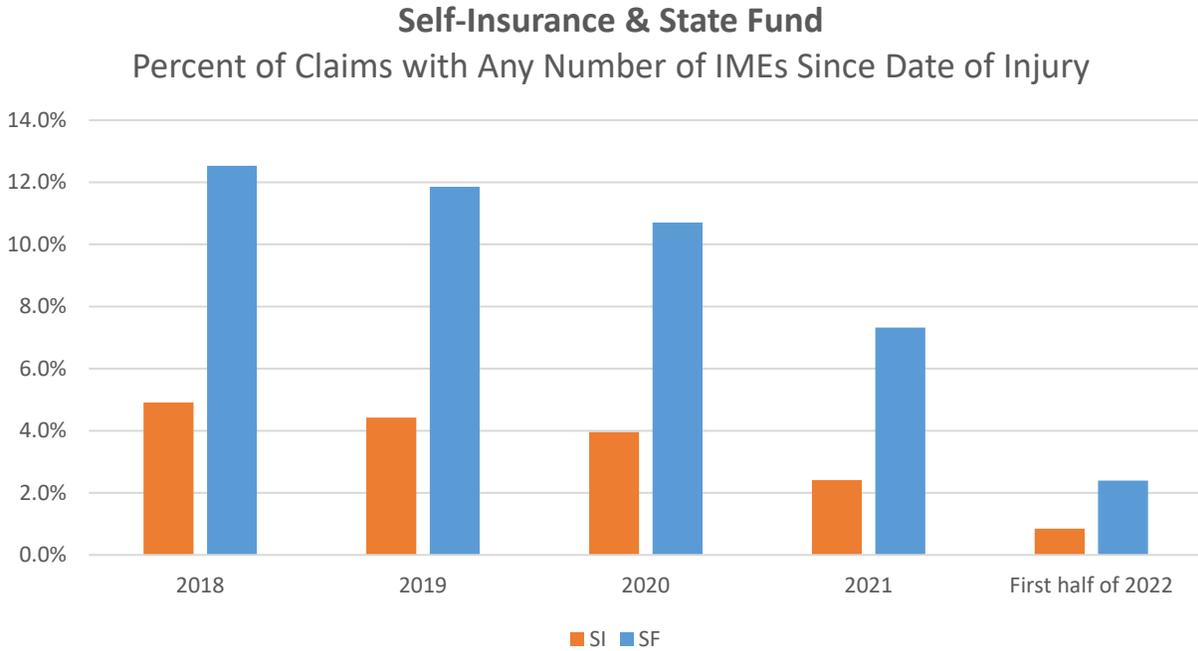


Figure 1.4: Percent of Claims with One IME Since Date of Injury (Self-Insurance and State Fund)

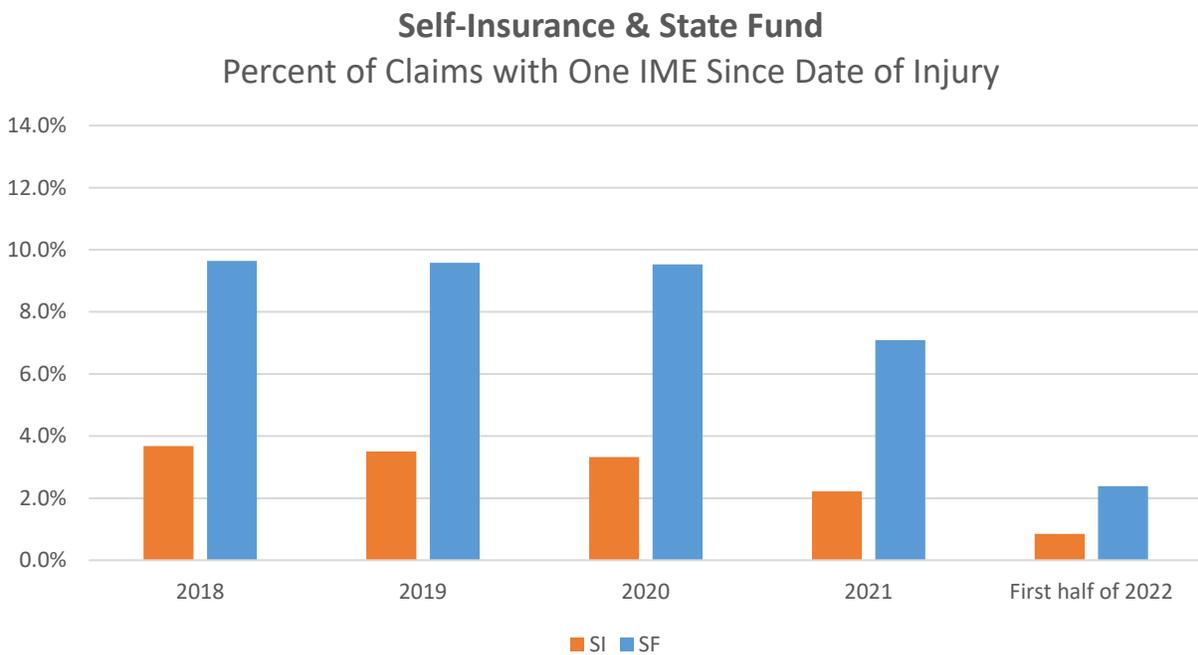


Figure 1.5: Percent of Claims with Multiple IMEs Since Date of Injury (Self-Insurance)

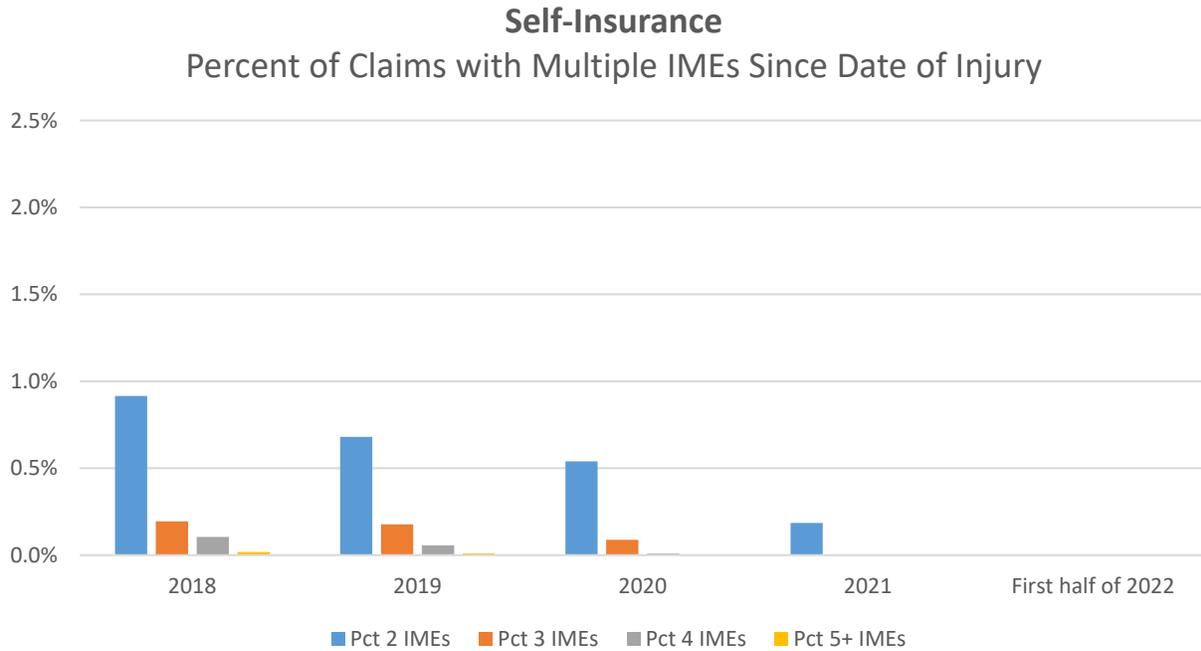
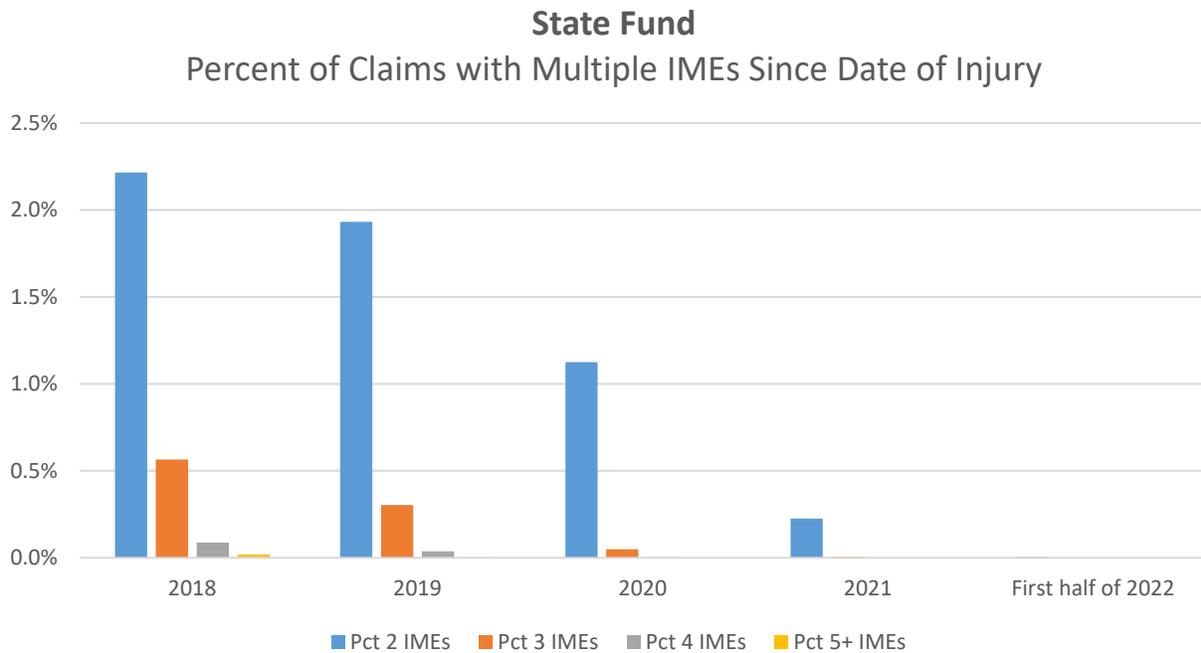


Figure 1.6: Percent of Claims with Multiple IMEs Since Date of Injury (State Fund)



Days to First IME

Days to first IME was calculated by counting the number of days from the date of injury to the earliest date of service on an IME bill for that claim.

Figure 1.7: Days to First IME (Self-Insurance)

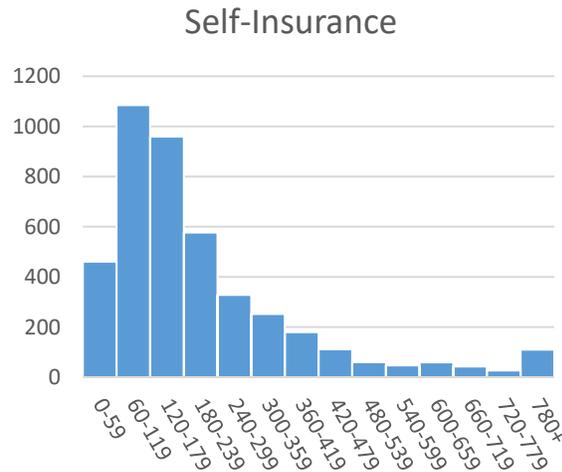
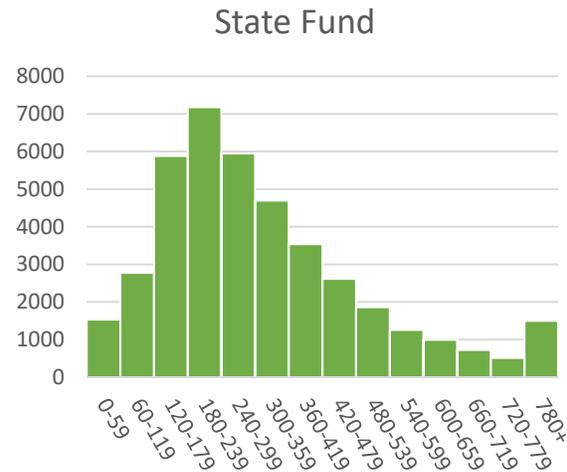


Figure 1.8: Days to First IME (State Fund)



The two figures above have different vertical scales because of different volumes of claims between self-insurance and State Fund. This type of graph emphasizes distribution. The shape of the curve and location of peaks are informative.

According to this data, self-insured claims with IMEs have their first IME between 60 and 119 days of the date of injury more often than any other 60-day range. For State Fund claims, the most common 60-day range is between 180 and 239 days.

Days Between IMEs

Days between IMEs are calculated by counting the number of days between the dates of service of one IME and the next. If the claim was closed and then reopened during this period, the number of days the claim was closed is subtracted. If one of the IMEs occurred during a period of claim closure (such as to evaluate a reopening), days between IMEs is not calculated (so the data point was left out of the data set).

Figure 1.9: Days Between IMEs (Self-Insurance)

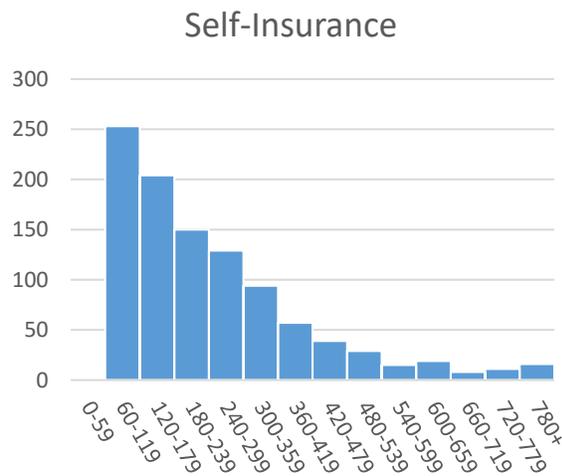
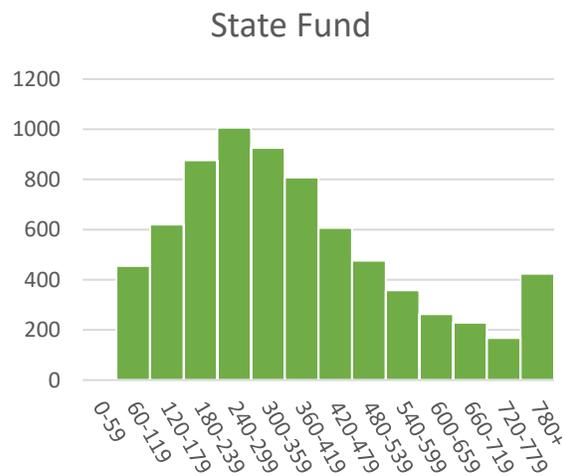


Figure 1.10: Days Between IMEs (State Fund)



The two figures above have different vertical scales because of different volumes of claims in self-insurance and State Fund. This type of graph emphasizes distribution. The shape of the curve and location of peaks are informative.

Self-insured claims with more than one IME scheduled were completed within 60 and 119 days of the previous IME more often than any other 60-day range. For State Fund claims, the most common 60-day range is between 240 and 299 days.

Number of IMEs by Date of Service

In figures 1.11 and 1.12 below, the estimated number of IMEs is shown for each calendar year. Unlike figures 1.1 – 1.10, data is broken out by the first date of service on the bill, rather than by claim injury date. This means that for each calendar year, the figures show the estimated number of IMEs performed (State Fund) or reported (Self-Insurance) during that year.

Figure 1.11: Number of IMEs Reported (Self-Insurance)

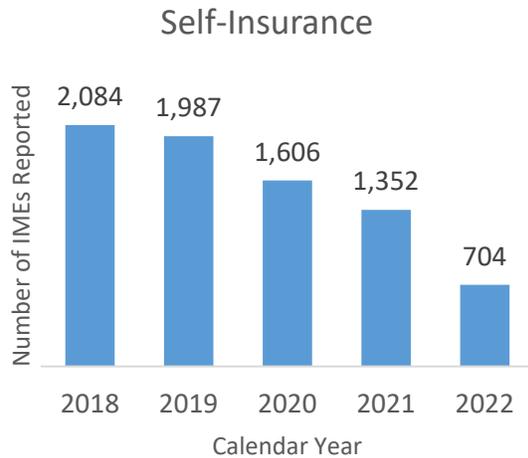
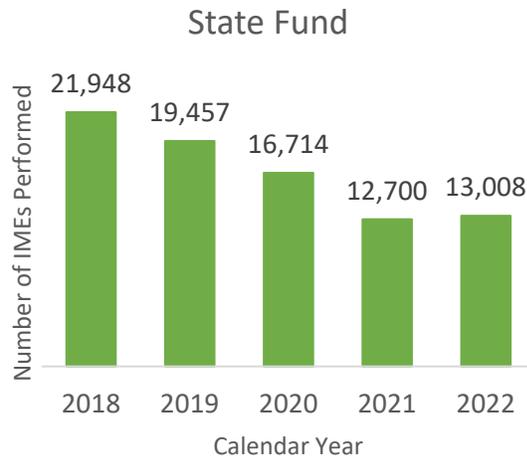


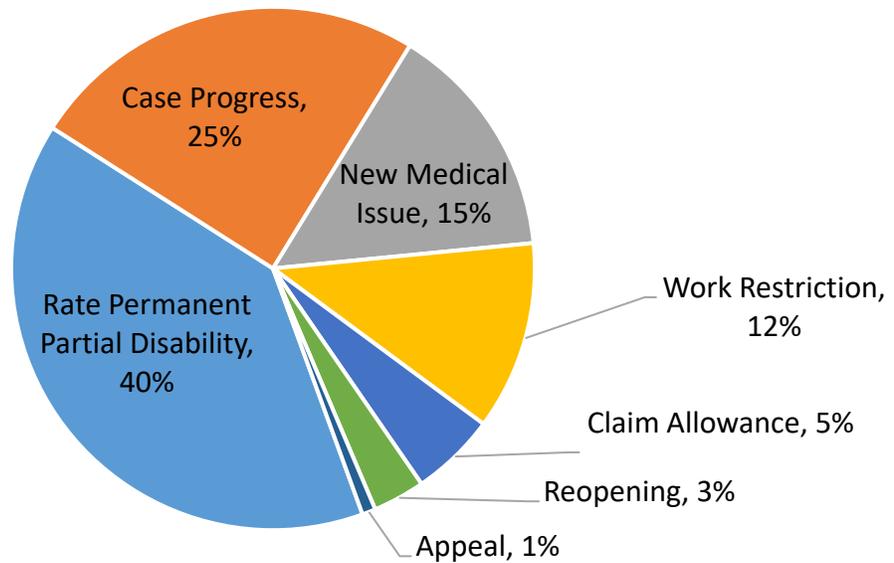
Figure 1.12: Number of IMEs Performed (State Fund)



For the year 2022, the number of IMEs shown is lower than reality due to timeframes in medical bill processing. Providers have up to one year to send in a bill, and it can take additional time before data is made available. The majority of bill data is typically available after six months.

Top Purposes for IMEs

Figure 1.13: Top IME Purposes in 2022, **State Fund Only**



The data in figure 1.13 comes from the State Fund’s IME referral database. The claim manager can refer an IME for a single purpose or multiple. Figure 1.13 shows the percentage of all IME referral purpose codes used in the 2022 calendar year.

Self-insurance data about purposes for scheduling IMEs is not available to L&I because it is not tracked on medical bills.

For any questions on this report or other IME data, please contact: IMEReporting@Lni.wa.gov

Glossary

Electronic Data Interchange (EDI)

A standardized, formatted system for exchanging information between computers. EDI systems exist across a wide array of industries.

WA L&I uses International Association of Industrial Accident Boards and Commissions (IAIABC) EDI Medical Bill Data Reporting Release 2.0 standards for collecting medical bill data from self-insured employers regarding their workers' compensation claims for the purposes of benchmarking industry trends and performing audit risk analytics.

Independent Medical Examination (IME)

An independent medical examination (IME) is an objective medical-legal examination requested (by L&I or self-insurer) to establish medical findings, opinions, and conclusions about a worker's physical condition. These examinations may only be conducted by L&I-approved examiners.

Procedure Code

A code used in medical billing to describe services rendered which conforms to a jurisdictional standard.

WA L&I's IME Payment Policy contains detailed information about procedure codes related to IMEs. It can be found here:

<https://lni.wa.gov/patient-care/billing-payments/marfsdocs/2021/2021MarfsChapter13.pdf>

Self-insurance (SI)

In Washington State, employers may certify to self-insure for their workers compensation coverage, meaning that they cover losses directly rather than purchasing an insurance policy. This is the only alternative to purchasing coverage from the State's Department of Labor & Industries.

State Fund (SF)

Workers' compensation insurance purchased from the State, colloquially referred to as the State Fund. In Washington, workers are either covered under the State Fund or by self-insured employers.