

BUILT-IN BIAS

Docs Give Faulty Injury Assessments, Inflating Comp Costs, Expert MD Says

BY DANIEL HAYS
ORLANDO, FLA

MORE THAN 75 PERCENT of workers' compensation physical impairment ratings are incorrect because doctors "are not held accountable," an expert told an industry conference here.

That comment came from Dr. Christopher Brigham, senior contributing editor of the "AMA Guides to the Evaluation of Permanent Impairment, Sixth Edition," speaking at the National Council on Compensation Insurance Annual Issues Symposium.

Dr. Brigham is the chairman of Impairment Resources LLC, which recently allied with health insurer Coventry to offer tools for injury impairment ratings.

According to Dr. Brigham's data, the vast majority of cases see injuries rated with a higher degree of disability than they deserve and the overall error rate for the states is 76 percent. Among those, he said, California has an error rate of 83 percent.

The average difference from a correct rating in California, he said, amounts to a cost of \$1,325 or 13.5 percent.

According to the doctor, impairment ratings account for 20 percent of total workers' comp benefit costs.

Most ratings are incorrect, he said, because grading impairment is a tedious process that most physicians have not studied and are ill equipped to perform.

He noted, however, that in Hawaii most impairment ratings have been found to be accurate, in part because physicians who make them qualify through a certification process.

One factor that increases disability ratings, he observed, is that treating physicians must be advocates for their patients—a bias that contributes to inflating costs.

Diagnoses that involve more subjective judgment are also more likely to result in errors, Dr. Brigham said.

He said critics of the latest American Medical Association guide who score

changes for certain injuries fail to take into account advances in treatment and that "certain stakeholders" in the comp system resist science and data.

A survey of reaction to the new AMA Guide and whether it is an improvement, he said, found 100 percent of chiropractors disagreed that it is an improvement, most

lawyers strongly disagreed, and most doctors agreed it was an improvement.

In the comp impairment area, the doctor said he sees many physicians who are "self-fulfilling prophets of doom and attorneys who use their clients as pawns."

He urged his audience to focus on creating a positive attitude toward worker injury impairment to "change the future in the workers' compensation field."

Dr. Brigham added, "Needless impairing is occurring all too often in the workers' compensation arena." He called for a stand to be made for a focus not on disabling but rather empowering injured workers. ■

OCT. 1 CHANGE

NCCI Rolling Out New Rating Method

BY DANIEL HAYS
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THE NATIONAL COUNCIL ON Compensation Insurance management said it expects to start using its new methodology for occupational risk classification on Oct. 1.

Steve Klingel, NCCI president and chief executive officer, told attendees at the NCCI Annual Issues Symposium here that it would be the first change to the organization's system of ratemaking in 40 years.

Mr. Klingel later said in an interview that the changes are expected to add "more stability and get rid of some inequities."

Jeff Eddinger, NCCI practice leader and senior actuary for ratemaking, said feedback from regulators who must approve the change has been positive in the 37 states where his organization acts as a statistical agent and ratemaking group.

According to figures released by the NCCI, the impact on premiums for 62.3 percent of the rate classes by using the new methodology would swing from minus 5 percent to plus 5 percent.

Twenty-one percent would see premiums

increase from 5 percent to 15 percent and 13.7 percent would see rates decrease from 5 percent to 15 percent. An impact of plus or minus 25 percent or more would affect less than 3 percent of classes.

Mr. Eddinger said the change in methodology involved a revised way of viewing losses. In the current system, injuries are classified as serious or not serious, and the new method "looks at more than injury type."

Instead, he said, the data examined includes the part of the body involved in the injury. It also looks at whether a claim is opened or closed on first report and if the injury is classified as likely to develop or not likely to develop.

He said the NCCI has held a series of webinars for insurance regulators as the system was developed. Now that it is ready to be deployed, he said NCCI has met with individual insurance commissioners wanting more information.

Mr. Eddinger said NCCI is optimistic that its new system will be approved by all of its client states, but for those who don't accept it, "we're still able to do it [class rating] the old way." ■