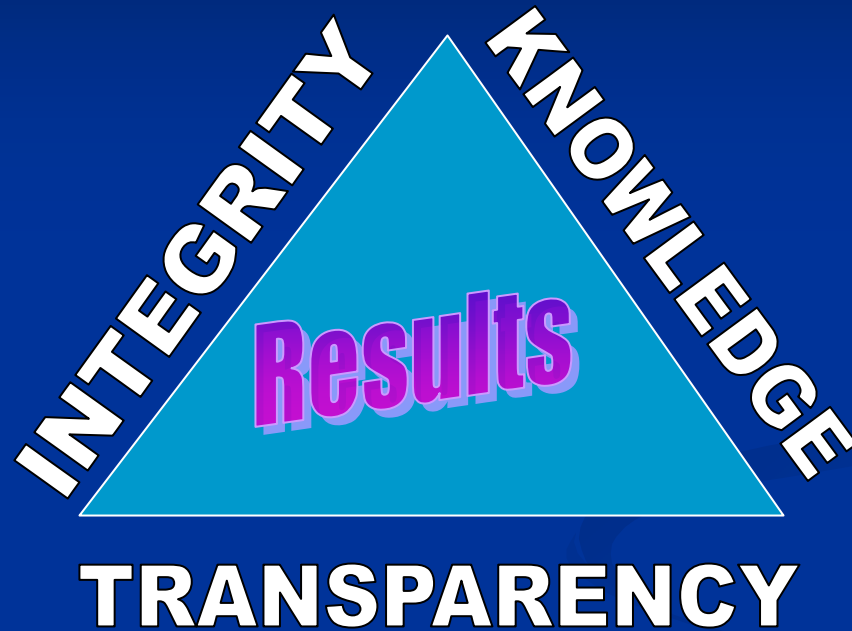


Specialty Health



STEVEN G. ATCHESON, MD

MEDICAL DIRECTOR



Specialty Health

FOUNDED IN NEVADA IN 1993 BY PHYSICIANS SPECIFICALLY TO PROVIDE BETTER CARE FOR THOSE WITH MUSCULOSKELETAL PROBLEMS

WORKERS' COMPENSATION

- CASE MANAGEMENT
- UTILIZATION REVIEW
- NETWORK SERVICES

GROUP HEALTH

- MUSCULOSKELETAL DISEASE MANAGEMENT
- CARDIAC WELLNESS PROGRAMS
- UTILIZATION REVIEW
- NETWORK SERVICES

SpecialtyHealth

MEDICAL CASE MANAGEMENT, DISEASE
MANAGEMENT, AND UTILIZATION REVIEW
GROUP HEALTH AND WORKERS' COMP

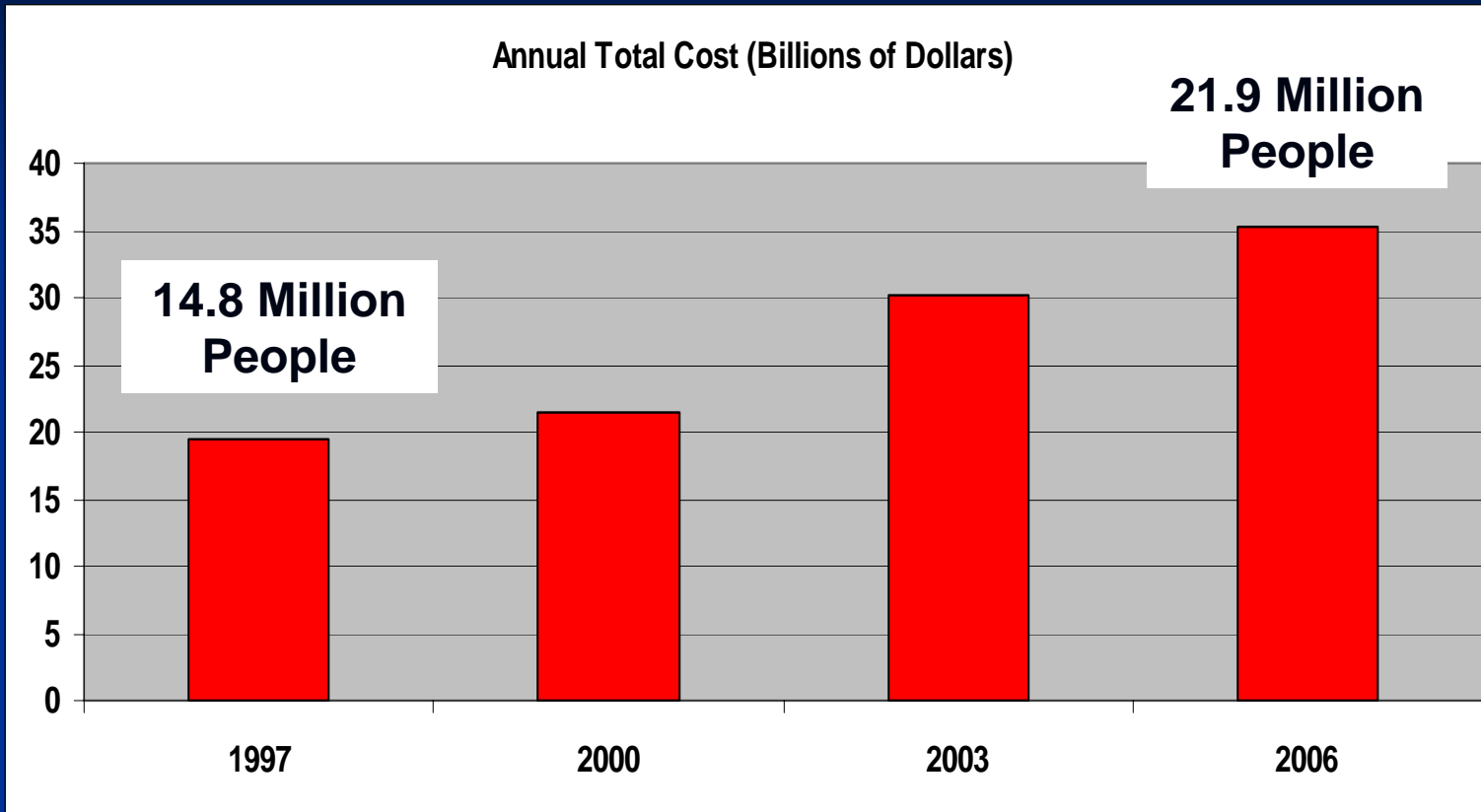
- FULL NATIONAL URAC CERTIFICATION FOR WORKERS' COMP UR AND CM
- LICENSED/CERTIFIED IN NEVADA, CALIFORNIA, TEXAS, ILLINOIS, KANSAS, ALABAMA, TENNESSEE, PENNSYLVANIA, NEW JERSEY, UTAH, MICHIGAN, FLORIDA



SOME NEVADA CLIENTS

- STATE OF NEVADA
- NEVADA SYSTEM OF HIGHER EDUCATION
- LAS VEGAS METRO
- BOULDER CITY
- CITIES OF SPARKS AND CARSON CITY
- PUBLIC AGENCIES IN ALL OF RURAL NEVADA
- ST. MARY'S HEALTH PLANS STATEWIDE (GROUP HEALTH SPINE UR)
- PEBP STATEWIDE (CARDIAC WELLNESS)

HOW BIG IS THE SPINE PROBLEM?



**ALL
FIGURES
ADJUSTED
TO 2006
DOLLARS**

**DESPITE ALL THE EXPENSE, THE MENTAL AND
PHYSICAL STATUS OF THOSE WITH SPINE
PROBLEMS WORSENERD OVER TIME!**

SPINE SURGERY: A GROWTH INDUSTRY

- LUMBAR FUSION: NATIONAL RATES INCREASED BY 220% FROM 1990-2001

GEOGRAPHIC VARIATION 20-X IN 2001

- CERVICAL SPINE SURGERY INCREASED BY 300% FROM 1992-2005

GEOGRAPHIC VARIATION 35-X IN 2005

HIP/KNEE SURGERY INCREASE

OF ONLY 13-15%

SPINE SURGERY IN NEVADA: MORE IS BETTER?

- NEVADA POSTERIOR CERVICAL FUSION RATES HIGHEST IN US: NEARLY 3X THE MEDIAN, 53X THE LOWEST
- NEVADA CERVICAL SPINE SURGERY RATE OVERALL HIGHEST GROUP IN US
- **NORTHERN NEVADA** LUMBAR DISC SURGERY RATES ARE AT OR BELOW THE NATIONAL AVERAGE
- BUT **NORTHERN NEVADA** LUMBAR FUSION RATES ARE UP TO 4X HIGHER THAN NATIONAL AVERAGE

THE TWO MAIN THINGS TO KNOW :

1. IF THERE IS NO DISCERNIBLE BENEFIT FROM A TEST OR TREATMENT, THEN NO AMOUNT OF RISK IS JUSTIFIABLE:
primum non nocere: “First, do no harm.”
2. THE BEST MEDICAL CARE ALWAYS COSTS THE LEAST
by reducing unnecessary and inappropriate care

Journal of Occupational and Environmental Medicine

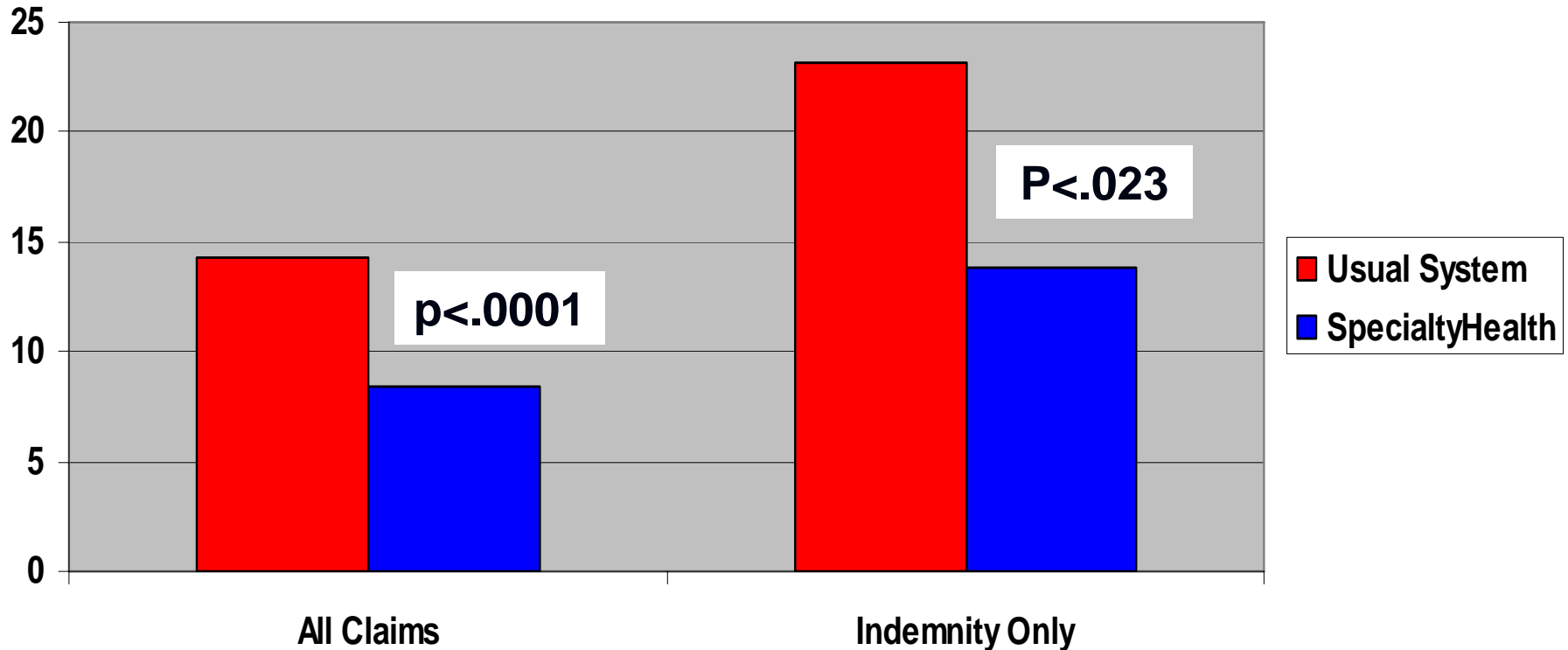
Paying Doctors More: Use of Musculoskeletal Specialists and Increased Physician Pay to Decrease Workers' Compensation Costs

Steven G. Atcheson, MD
Robert L. Brunner, PhD
E. James Greenwald, MD
VaDonna G. Rivera, DC
Jacqueline C. Cox, MPA
Stanley J. Bigos, MD

All who seek care for a work-related injury automatically fall within the reach of one of more than 50 state and federal workers' compensation (WC) jurisdictions. The costs of occupational illnesses and injuries are very high, estimated at \$171 billion in 1992.¹ This was about equal to the amounts spent treating cancer. Over

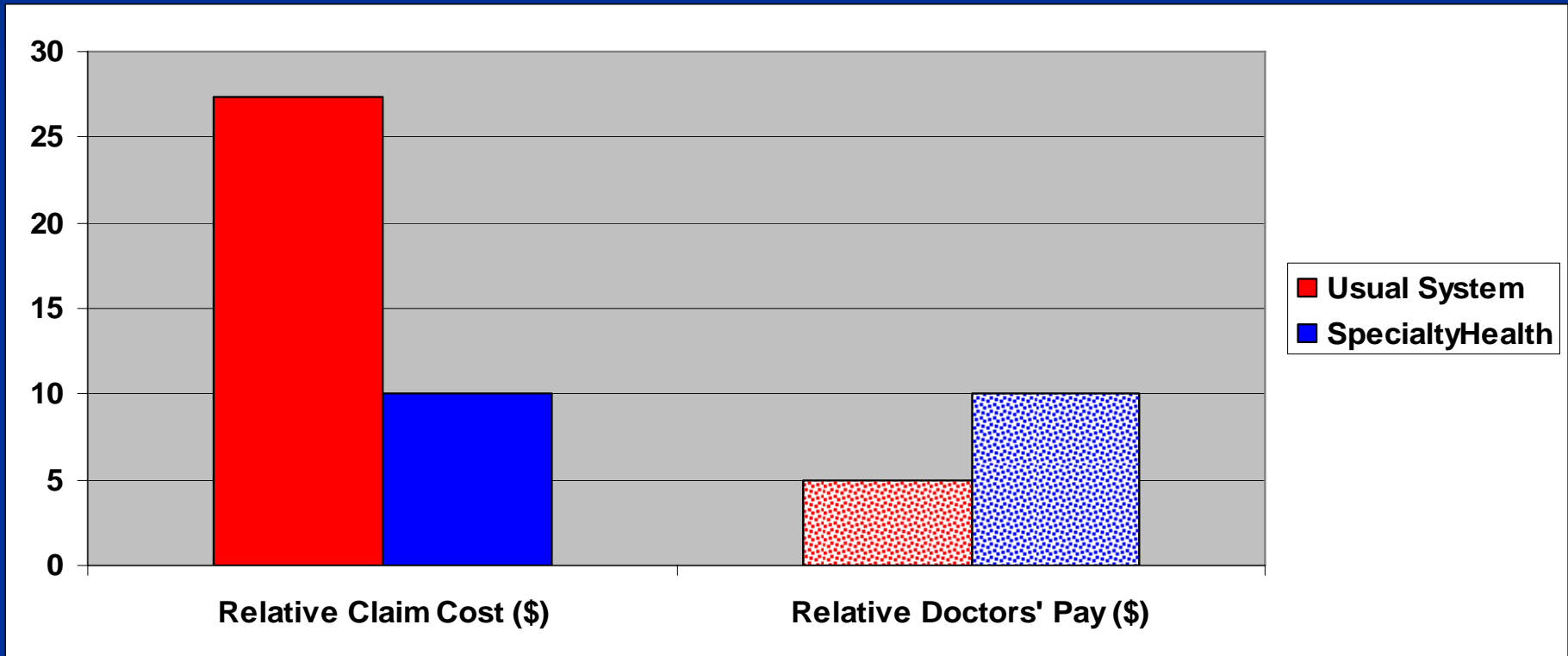
GET THE RIGHT PATIENT TO THE RIGHT DOCTOR WITH NO DELAY...

Average Claim Length to Closure (Months)



AND YOUR CLAIMS WILL CLOSE MUCH FASTER

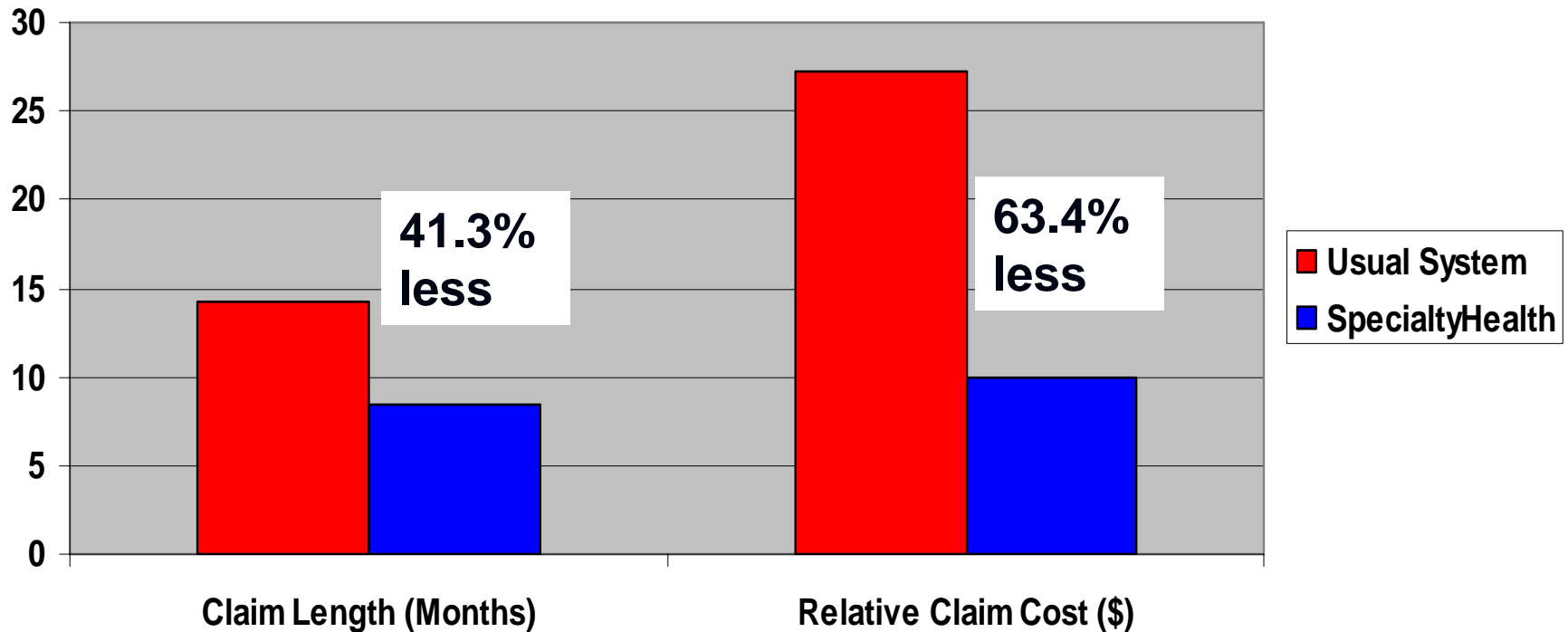
FAST CLAIM CLOSURE ONLY OCCURS WHERE THERE IS HIGH QUALITY CARE AND A HIGH DEGREE OF PATIENT SATISFACTION



INCENTIVIZE THE TREATING PHYSICIAN

**FASTER CLAIM CLOSURE =
LESS UNNECESSARY CARE =
LESS PATIENT RISK**

Claim Length Drives Claim Costs



**AVERAGE CLAIM COST IS THE BEST MEASURE OF
QUALITY OF CARE**

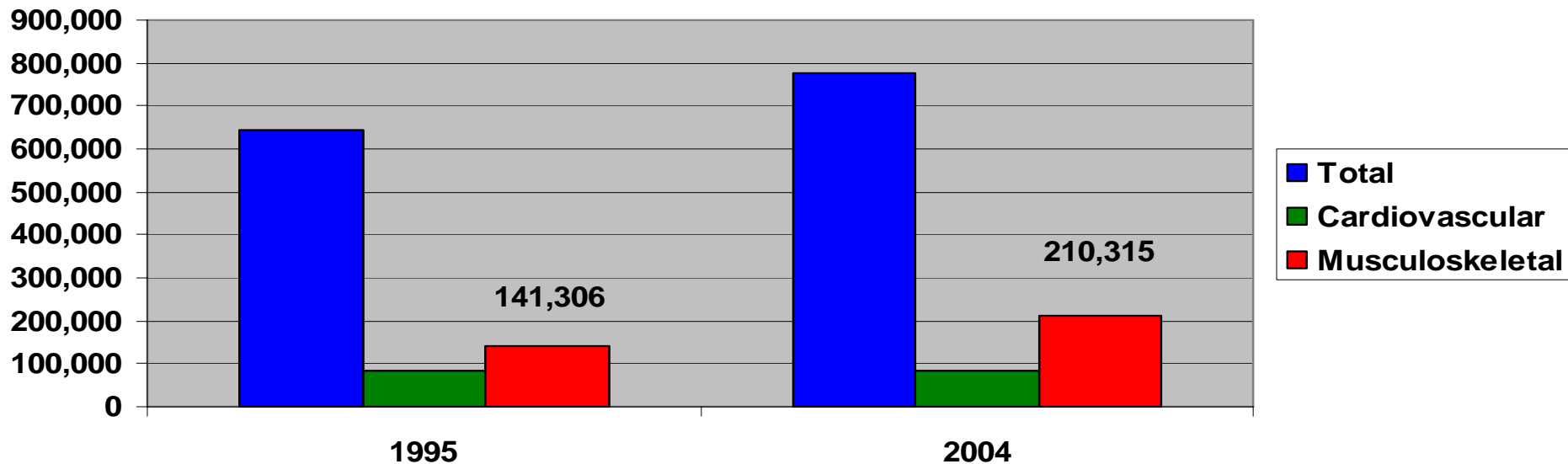
WHY THESE RESULTS ARE IMPORTANT

- > 90% OF ALL WC PROBLEMS ARE MUSCULOSKELETAL: STRAINS, SPRAINS, FRACTURES, DISLOCATIONS, ETC.
- USUALLY ABOUT 15-25% OF ALL WC CLAIMS INVOLVE THE SPINE
- SPINE CLAIMS TYPICALLY COST ABOUT 50% MORE PER CLAIM THAN OTHER WC CLAIMS

THE MEDICAL CARE PROCESS SHOULD BE
THE SAME REGARDLESS OF PAYER

A GROWING NATIONAL PROBLEM

Social Security Disability Recipients: 1995-2004



- THERE WAS A 20.1% INCREASE IN ALL RECIPIENTS FROM 1995-2004, BUT A NEARLY 50% INCREASE IN THOSE DISABLED FROM MUSCULOSKELETAL DISORDERS, > 30% UNDER AGE 50
- MOST OF THESE PEOPLE HAVE SPINE PROBLEMS

THE SAGA OF LARRY Z.

TRUE LIFE LESSONS IN SPINE CARE

LARRY Z.

- AGE 47, NO PRIOR HEALTH PROBLEMS
- DEVELOPED PAIN AFTER HE SLIPPED AND TWISTED WHILE FALLING
- PAIN IN LOW BACK, WITH SOME PAIN DOWN THE BACK OF THE RIGHT LEG (SCIATICA), AND NUMBNESS IN THE RIGHT FOOT
- NO BETTER AFTER 3 DAYS, SO SEES A DOCTOR

WHAT SHOULD THE DOCTOR DO?

RED FLAGS FOR ACUTE LOW BACK PAIN

- A SIMPLE 2 MINUTE ASSESSMENT LOOKING FOR “SOMETHING BAD” THAT MIGHT NEED URGENT ATTENTION (FRACTURE, CANCER, INFECTION)
- A NEGATIVE RED FLAG EVALUATION ESSENTIALLY GUARANTEES THAT THERE IS NO URGENCY.
- THE PATIENT SHOULD BE REASSURED, GIVEN SYMPTOMATIC TREATMENT, URGED TO KEEP ACTIVE

NO STUDIES (X-RAYS, MRI) ARE INDICATED AT THIS POINT, ACCORDING TO ALL NATIONAL AND INTERNATIONAL GUIDELINES

WHAT HAPPENED TO LARRY Z.

- THE DOCTOR FOCUSED ON THE LEG PAIN AND NUMBNESS, SAID LARRY MIGHT BE AT RISK FOR “NERVE DAMAGE”
- GAVE HIM VICODIN, STARTED P.T., AND SAW HIM 1 WEEK LATER
- NO CHANGE IN PAIN, SO DOCTOR ORDERED AN MRI
- ALL GUIDELINES SAY IMAGING STUDIES SHOULD NOT BE DONE FOR AT LEAST ONE MONTH

WE WOULD HAVE REFUSED THE REQUEST FOR THE MRI AT THIS POINT

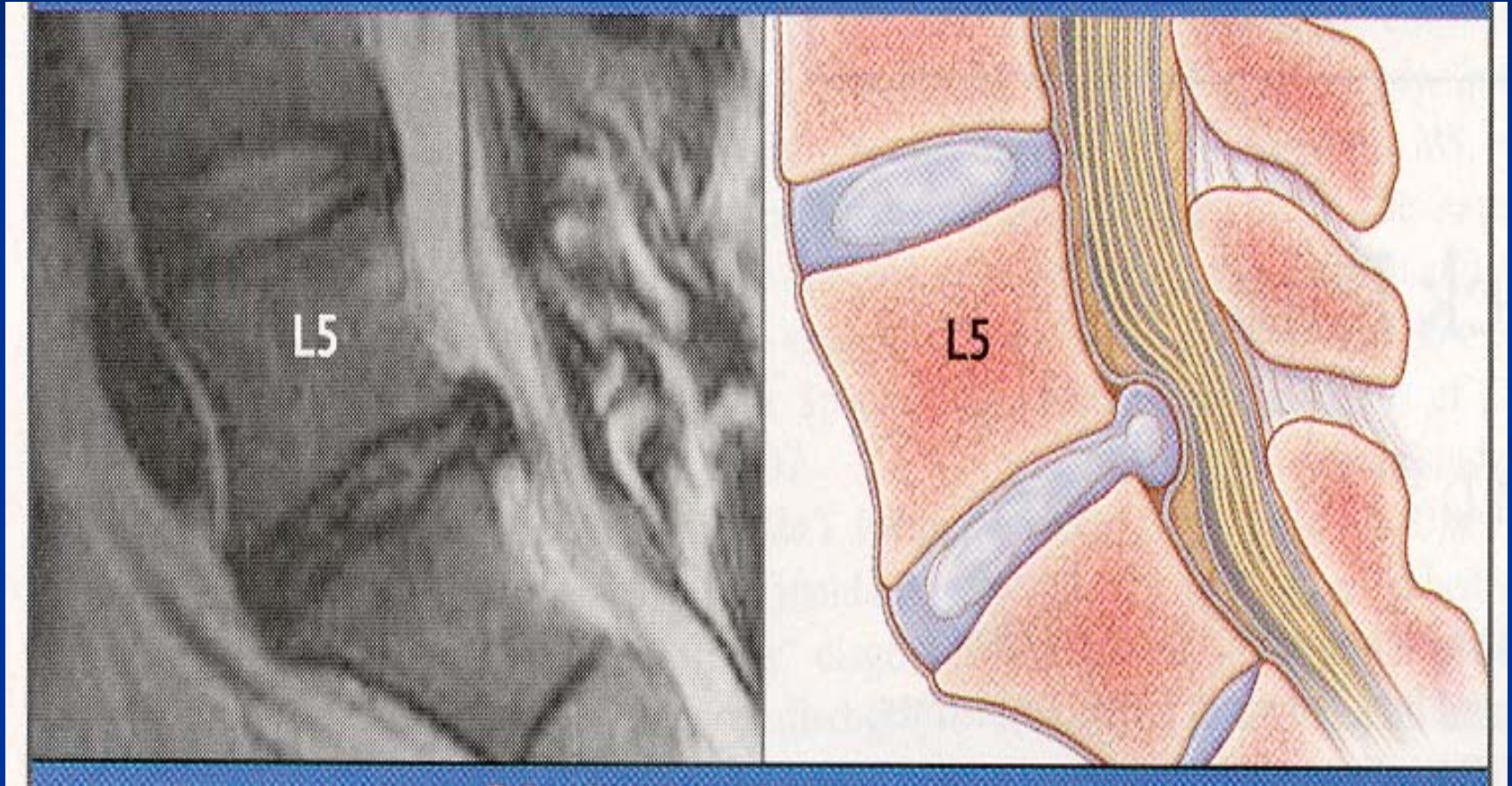
WHY NO SPECIAL STUDIES FOR AT LEAST A MONTH?

THE NATURAL HISTORY OF ACUTE LOW BACK PAIN AND NO MEDICAL CARE:

- WITH NO LEG PAIN (SCIATICA): 90% AT NORMAL ACTIVITY IN 1 MONTH, 2/3 TOTALLY PAIN FREE IN 3 MONTHS
- WITH SCIATICA: HALF CAN TOLERATE NORMAL ACTIVITY AT 30 DAYS. 50% WILL BE WELL AT 2 MONTHS. 90% ARE MUCH BETTER AT 90 DAYS

IF THERE ARE NO RED FLAGS, THERE IS
NO REASON TO WORRY

LARRY'S MRI SHOWS A HERNIATED DISC



BIG DEAL OR BIG WHOOP?

IMAGING STUDIES IN PEOPLE WITH NO BACK PAIN

PLAIN X-RAYS

- DISC DEGENERATION/BONE SPURS (SPONDYLOSIS) ARE NORMAL AGING PHENOMENA, APPROACH 100% BY AGE 60

MRI/CT SCANS

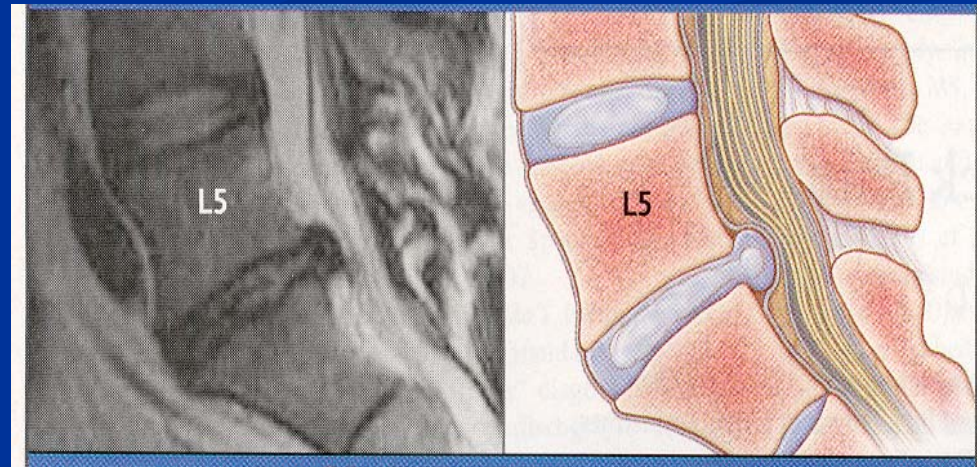
- DISC BULGES/HERNIAS: 25% -75% INCREASING WITH AGE
- DISC DEGENERATION: 26%-79%, INCREASING WITH AGE
- ANNULAR “TEARS”: 14%-56%, INCREASING WITH AGE

80% OF ALL DISC HERNIAS ARE PAINLESS

TELL ME IF
THIS PHONE IS
RINGING



TELL ME IF
THIS DISC IS
CAUSING PAIN



LARRY GETS AN EPIDURAL

- EPIDURAL STEROID INJECTIONS MAY PROVIDE SHORT-TERM RELIEF IN THOSE WITH SCIATICA. IN THOSE WITH BACK PAIN ONLY, THEY ARE OF NO BENEFIT
- IN ANY CASE, NO STUDY HAS EVER SHOWN MORE THAN 6 WEEKS OF RELIEF FROM INJECTIONS, COMPARED WITH PLACEBO
- LARRY'S EPIDURAL DIDN'T WORK AT ALL, SO HE GOT TWO MORE, WHICH ALSO FAILED
- THE SpecialtyHealth UR PROCESS REQUIRES A REPORT ON THE RESULTS FROM THE FIRST EPIDURAL BEFORE APPROVING ANY MORE

INJECTION THERAPIES FOR BACK PAIN: THE BEST EVIDENCE

NOT EFFECTIVE:

- FACET JOINT INJECTIONS
- DISC INJECTIONS
- RADIOFREQUENCY PROCEDURES

NO GOOD EVIDENCE FOR EFFICACY:

- SOFT TISSUE STEROID OR BOTULINIM INJECTIONS
- SACROILIAC JOINT INJECTIONS
- IDET
- FACET NERVE BLOCKS

American Pain Society Clinical Practice Guideline
Chou, et al. *Spine* 2009;34:1078

LARRY HAS HIS FIRST BACK SURGERY

- HE HAS A SIMPLE DISCECTOMY 4 MONTHS AFTER ONSET OF PAIN
- THE HERNIATED DISC AT L5-S1 IS REMOVED
- LARRY'S EXAM DOESN'T PERFECTLY FIT AN L5-S1 DISC HERNIATION, BUT THE SURGEON IS SO IMPRESSED BY THE MRI THAT HE THINKS THAT MUST BE THE SOURCE OF THE PROBLEM

LARRY'S LEG PAIN IMPROVES, BUT HIS BACK PAIN DOESN'T GET ANY BETTER, AND IN FACT WORSENS AFTER SURGERY

WHAT ABOUT DISC SURGERY FOR NERVE IMPINGEMENT?

THE BEST EVIDENCE TELLS US:

- WHEN THE CLINICAL FINDINGS MATCH THE MRI, AND THERE ARE NO PSYCHOLOGICAL PROBLEMS, THEN THERE IS A GOOD CHANCE OF SUCCESS. LEG PAIN TENDS TO IMPROVE MORE THAN BACK PAIN
- HOWEVER, THE LONG-TERM RESULTS (BEYOND 3 MONTHS) ARE NO BETTER THAN NON-SURGICAL TREATMENT

WHEN THERE IS DISCORDANCE BETWEEN THE CLINICAL EXAM AND MRI THEN ALL BETS ARE OFF: PSYCHOLOGICAL TESTING MAY BE WARRANTED AT THIS POINT

LARRY GETS A DISCOGRAM



DISCOGRAPHY:
INJECTING FLUID INTO
THE DISCS TO SEE IF
THE PATIENT'S PAIN IS
REPRODUCED

- BECAUSE A PATIENT MAY HAVE MANY DEGENERATED DISCS, A POSITIVE DISCOGRAM IS SAID TO IDENTIFY WHICH DISCS ARE THE PAINFUL ONES
- THE DISCOGRAM IS “POSITIVE” AT L4-L5 AND L5-S1
SHOULD WE BE SURPRISED?

DISCOGRAPHY FOR LOW BACK PAIN

- THE FALSE POSITIVE RATE OF DISCOGRAPHY IS AS HIGH AS 80%
- A POSITIVE DISCOGRAM DOES NOT PREDICT SURGICAL SUCCESS ANY BETTER THAN FLIPPING A COIN
- ALL MAJOR GUIDELINES SAY THERE IS NO BENEFIT (TO THE PATIENT) FROM DISCOGRAPHY

A REQUEST FOR A DISCOGRAM IS NOTHING MORE THAN A PREPARATORY REQUEST FOR A SPINE FUSION.

WE DENY ALL REQUESTS FOR DISCOGRAPHY.

LARRY GETS A FUSION



AFTER A FEW MONTHS OF FEELING BETTER, HIS
BACK PAIN WORSENS AGAIN, AND IS NO BETTER
THAN BEFORE SURGERY

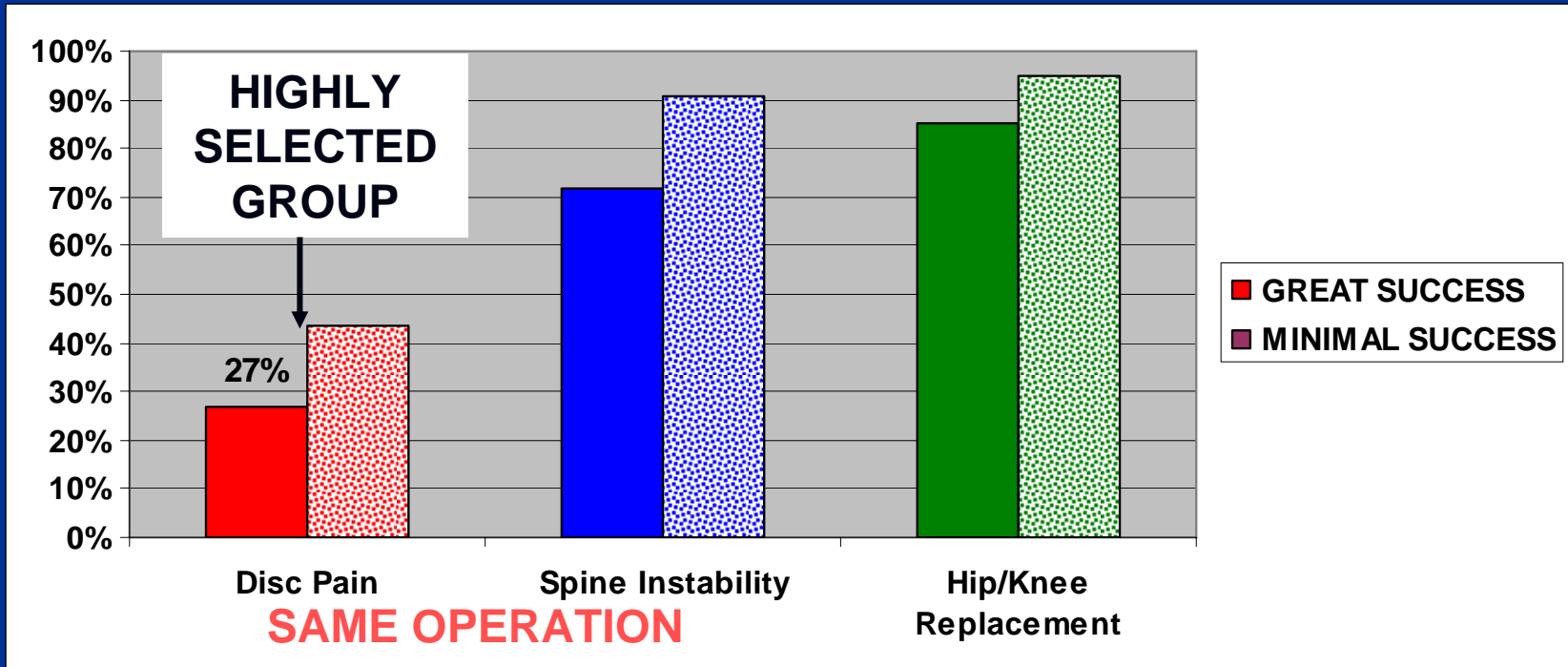
SHOULD WE BE SURPRISED?

FUSION FOR LOW BACK PAIN

WHAT THE BEST EVIDENCE TELLS US:

- FOR LBP WITH DEGENERATIVE CHANGES, FUSION IS NO BETTER THAN AN INTENSIVE REHAB PROGRAM, BUT WITH A COMPLICATION RATE OF ABOUT 15%
- FUSION IS SLIGHTLY BETTER THAN A STANDARD (NONINTENSIVE) PROGRAM
- ADDING IMPLANTS (HARDWARE) TO BONE GRAFTING DOES NOT IMPROVE RESULTS, BUT INCREASES COMPLICATION RATES
- REOPERATION RATES AFTER USING “MODERN” FUSION TECHNIQUES ARE HIGHER NOW THAN THEY WERE 15 YEARS AGO!

WHAT THESE RESULTS MEAN IN REAL LIFE



- IF YOU ARE ALREADY OFF WORK DUE TO BACK PAIN, YOU ONLY HAVE ABOUT A 1/3 CHANCE OF EVER RETURNING TO ANY WORK AFTER FUSION
- AFTER FUSION, YOU HAVE A 2% CHANCE OF BEING DEAD IN 3 YEARS (GREATER IF YOU HAD HARDWARE), MORE LIKELY FROM PAIN MED USE THAN ANY OTHER CAUSE

LARRY'S FUSION DOESN'T WORK

FOR THE NEXT SEVERAL YEARS HE IS TREATED
FOR A NUMBER OF DIFFERENT CONDITIONS:

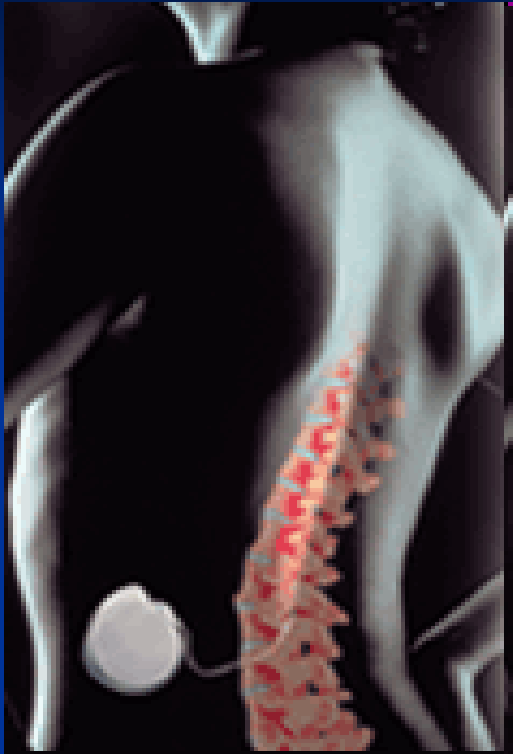
- FACET ARTHRITIS
- SACROILIAC PAIN



- EPIDURAL FIBROSIS
- FAILED BACK SURGERY SYNDROME

HE RECEIVES NUMEROUS INJECTIONS OF ALL
TYPES AND THREE MORE BACK SURGERIES,
ALL TO NO AVAIL

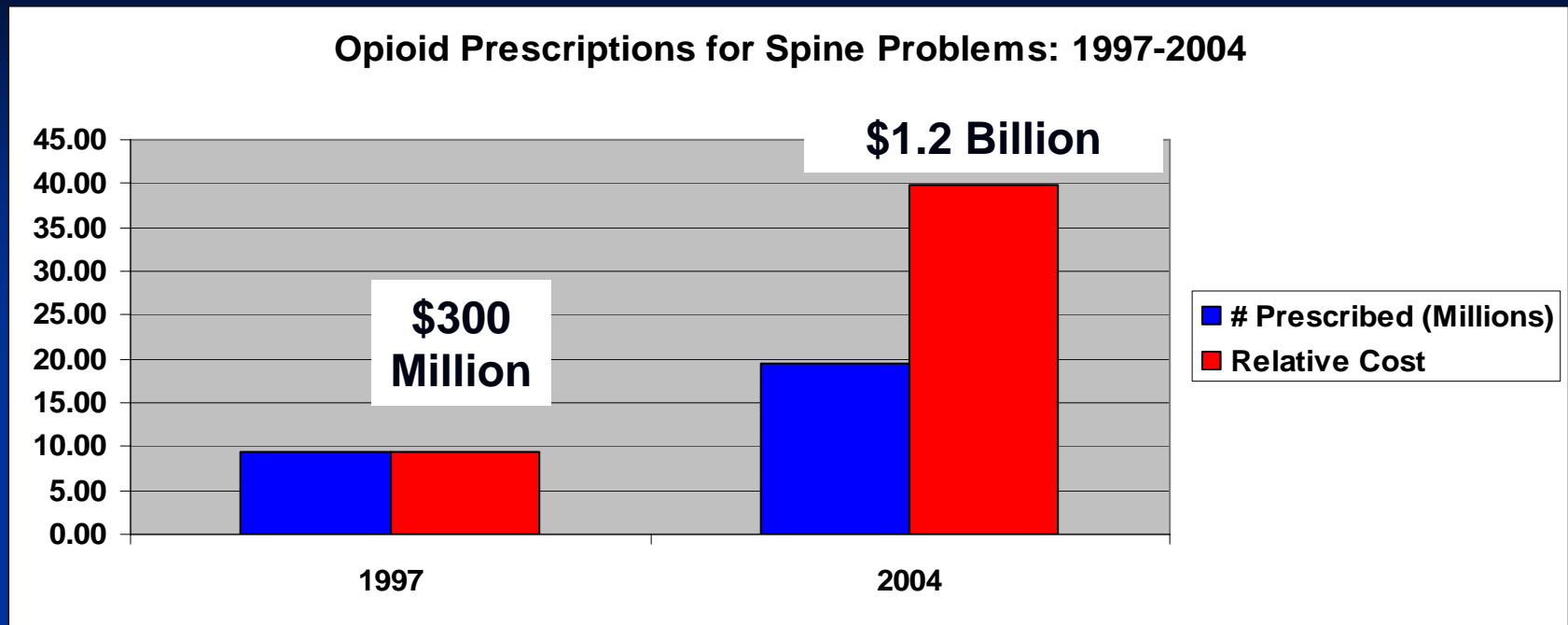
LARRY GETS A MORPHINE PUMP



INTRATHECAL PAIN
PUMPS MAY BE
EFFECTIVE FOR
THOSE WITH
FAILED BACK
SURGERY
SYNDROME

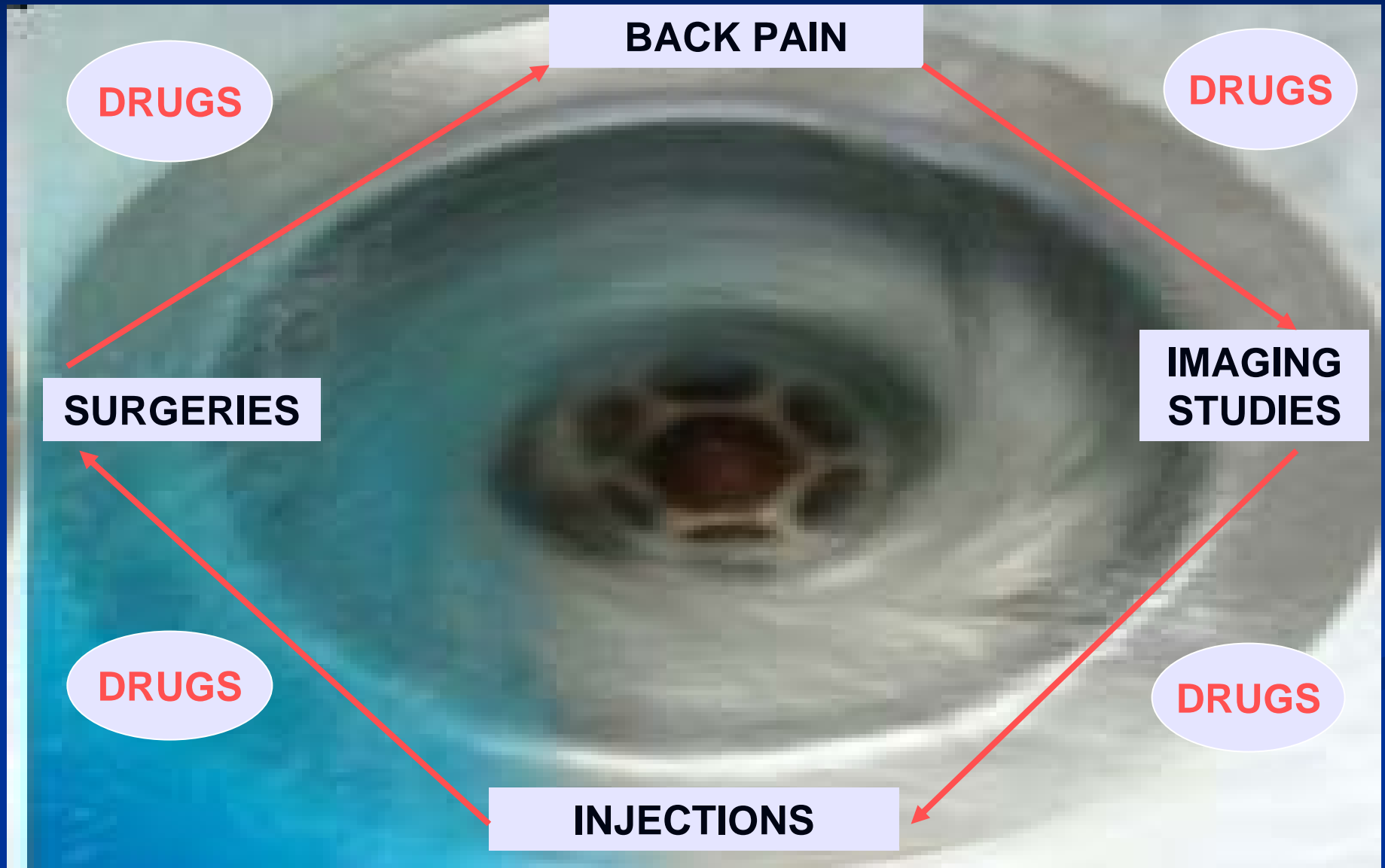
UNFORTUNATELY, IT DIDN'T SEEM TO HELP
MUCH, BECAUSE HE IS STILL ON ORAL
NARCOTICS AS WELL AS MORPHINE, SO
MUCH THAT HAS TO BE DETOXED IN 2007

NARCOTIC USE IN SPINE PAIN



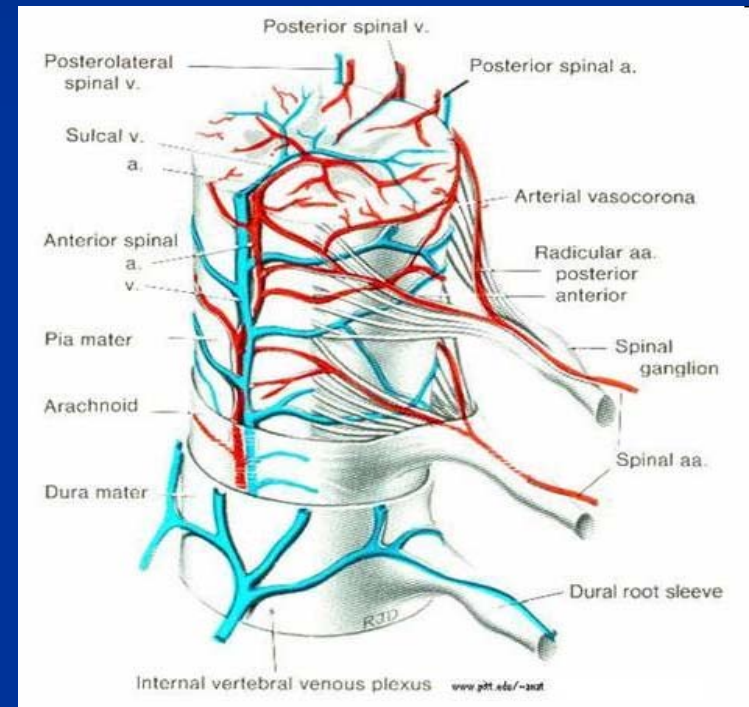
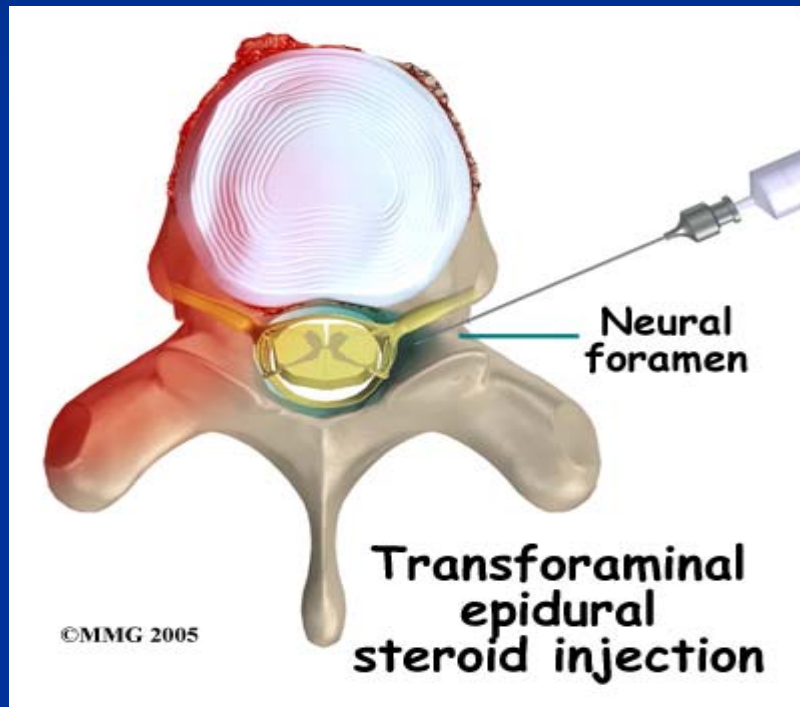
- **2007 GUIDELINES FROM THE ACP/APS: “FAILURE TO RESPOND TO A TIME-LIMITED COURSE OF OPIOIDS SHOULD LEAD TO REASSESSMENT AND CONSIDERATION OF ALTERNATIVE THERAPIES”**
- **THERE IS NO EVIDENCE THAT THE INCREASE IN NARCOTIC USE HAS IMPROVED PATIENT CARE**
- **SpecialtyHealth PHYSICIANS INSIST ON A PLAN OF TREATMENT AND EVALUATION ON ALL PATIENTS RECEIVING NARCOTICS**

CIRCLING THE DRAIN



LARRY GETS THE *Coup de grâce* FROM HIS DOCTORS

- HE GETS ANOTHER EPIDURAL STEROID INJECTION, THIS TIME A “STATE OF THE ART” TRANSFORAMINAL INJECTION



- IF WE HAD BEEN INVOLVED AT THAT TIME, WE WOULD HAVE DENIED THE PROCEDURE

THE MORE STUFF YOU DO TO
PEOPLE, THE MORE LIKELY YOU
ARE TO CAUSE GREAT HARM

THE EPIDURAL NEEDLE PUNCTURES A
VESSEL AND LARRY BLEEDS INTO HIS
SPINAL CORD

HE IS NOW PARAPLEGIC AND
INCONTINENT

BUT WAIT, THERE'S MORE!

A YEAR AFTER BECOMING PARAPLEGIC, LARRY IS HOSPITALIZED WITH SEPSIS.

- HE HAS A HEEL ULCER, ASSOCIATED OSTEOMYELITIS, AND A SACRAL DECUBITUS ULCER
- HE STILL HAS THE MORPHINE PUMP, AND IS ON IV DILAUDID, AND HIS

“BACK PAIN IS OUT OF CONTROL”

“WHAT FRESH HELL IS THIS?”



DOROTHY
PARKER

1893-1967



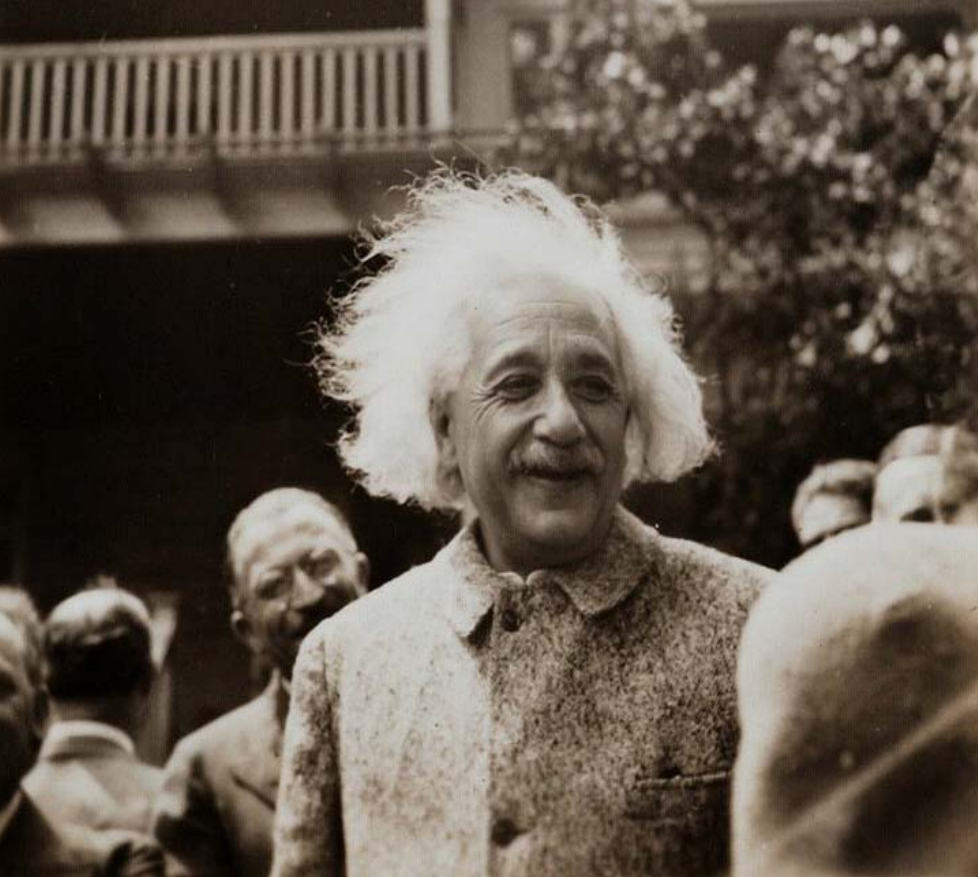
THE MEDICAL RECORDS DO NOT SHOW
THAT ANY OF THE DOZENS OF
INTERVENTIONS LARRY HAS HAD OVER
THE PAST 11 YEARS DID HIM MUCH
GOOD

IF THERE IS NO DISCERNIBLE BENEFIT, THEN NO DEGREE OF RISK IS ACCEPTABLE

OVER THE PAST 15 YEARS:

- SPINE MRI RATES HAVE QUADRUPLED
- SPINE INJECTION PROCEDURES HAVE QUADRUPLED
- BACK FUSION SURGERY RATES HAVE QUADRUPLED
- NARCOTIC TREATMENT COSTS FOR SPINE CARE HAVE QUADRUPLED

BUT THE PHYSICAL AND MENTAL HEALTH OF
THOSE WITH SPINE PROBLEMS HAS
DETERIORATED, AND THE NUMBER OF
PEOPLE WHO CONSIDER THEMSELVES
DISABLED FROM BACK PAIN HAS MORE THAN
DOUBLED



Insanity: Doing the same thing over and over again and expecting different results.

IS THE BEHAVIOR OF THESE DOCTORS INSANE? WELL, MAYBE IT LOOKS THAT WAY IF THE ONLY RESULTS YOU ARE EVALUATING ARE THOSE EXPERIENCED BY THE PATIENT.

YOU CAN STOP THE INSANITY



WITH EFFECTIVE:
UTILIZATION REVIEW
CASE MANAGEMENT
NETWORK CONTROL

EFFECTIVE, SPECIALIST-DIRECTED UR IS GOOD

- SINCE 2004 SpecialtyHealth HAS COMPLETED OVER 100,000 PHYSICIAN REVIEWS ON MUSCULOSKELETAL PROBLEMS
- ALL DECISIONS ARE EVIDENCE BASED
- OVERALL DENIAL RATE ABOUT 60% WHEN USING OUT-OF-NETWORK DOCTORS
- ONLY 7% OF DENIALS APPEALED

LIMIT THE SUPPLY

- USE ONLY SELECTED DOCTORS
- CONTINUE EVIDENCE-BASED UR
- MONITOR THEIR PERFORMANCE

WITH A LIMITED SUPPLY, THERE WILL ALWAYS BE A WAITING LIST OF GOOD DOCTORS WHO WANT TO CARE FOR YOUR PATIENTS

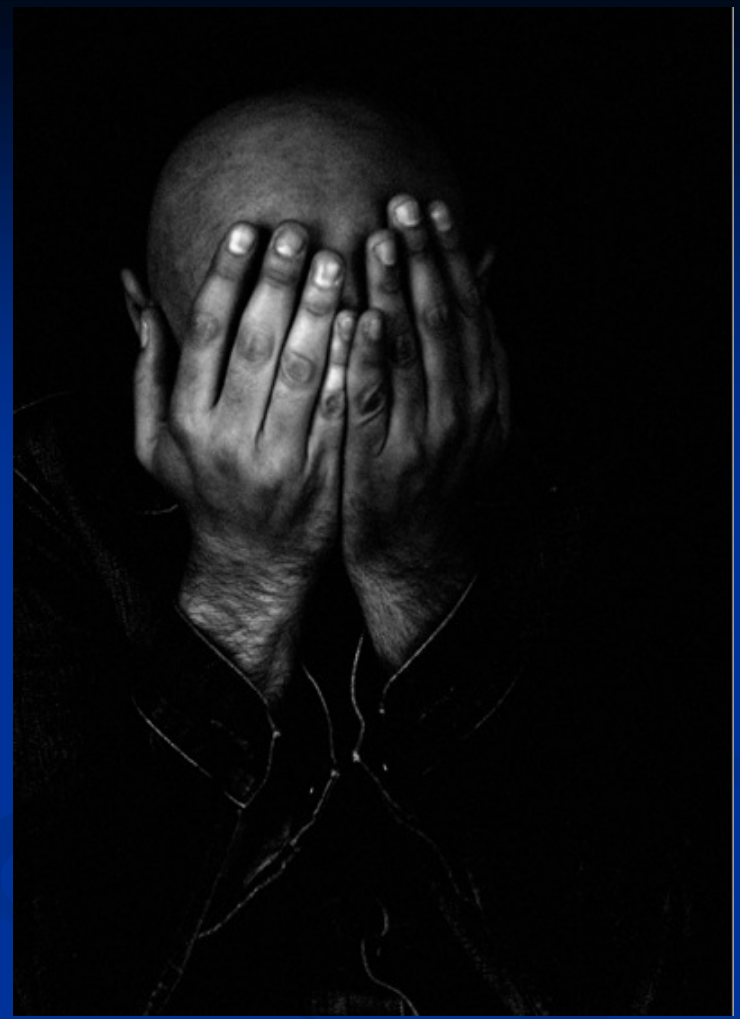
MORE DOCS = MORE STUDIES

MORE STUDIES = MORE HARM

- UP TO 75% OF ALL MRI AND CT SCANS ORDERED MAY BE INAPPROPRIATE
- THE MORE MRI AND CT SCANS DONE, THE MORE SPINE SURGERY IS DONE
- SPINE SURGICAL RATES VARY MORE THAN 5-FOLD ACROSS THE US

NEVADA'S RATES OF SPINE IMAGING AND SPINE SURGERY ARE UP TO 4 TIMES THE NATIONAL AVERAGE

Pain is inevitable.
Suffering is optional.



Specialty Health

