



Are Medical Guidelines Effective Tools? – It Depends on the Goal

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Treating according to medical guidelines can result in substantial benefits for employers and employees

IBI research teaches employers significant lessons in their efforts to manage the timing and extent of medical treatment to maximize health and minimize unnecessary costs for employees and the employer. Among the key findings is that unnecessary medical treatment for lowest-severity, acute low-back pain alone costs the six employers (425,000 employees) in the study \$18.8 million dollars during the one-year study period.

Research partner: The study was conducted in partnership with Medstat, an IBI member that, in addition to advice and assistance, provided two employer databases and its proprietary tools to create non-occupational episodes of medical treatment, absence and disability and to control for severity.

Full-cost comparisons: This study compared full-costs (direct costs of treatment and both the direct and hidden costs of disability) for medical conditions common at the workplace when physicians provided medical treatment that complied with national treatment guidelines versus results when they didn't comply. The results for those with acute low-back pain represent the clearest case where over-treatment under the medical guideline standards from the National Guideline Clearinghouse [www.guideline.gov] creates both excess medical and absence-related costs. On average, cases where treatment did not comply with guidelines cost 3.67 times more in full costs than cases where the treatment was compliant.

Conservative back treatment spares costs, pain and disability: The guidelines for these lowest-severity low-back conditions are premised on current scientific evidence that these conditions will improve, over time, with no surgery or special diagnostic evaluations within the first 30 days, no steroids or other injections, and no “manipulations” after 30 days. In fact, IBI found that treatment for which there is no supporting scientific evidence was provided for 29% of these low-back cases. Unnecessary surgery, by itself, was responsible for \$5.5 million in excess costs, due principally to excess medical costs and hidden costs from absence. Not surprisingly given the recovery time for surgery, the STD rate for those receiving unnecessary surgery is almost nine times the rate for those receiving other treatment – whether compliant or not.

Low-back treatment implications: Employer implications for cases such as these are clear. Adhering to conservative treatment guidelines for conditions that, absent red flags, are almost certain to recover over time is in the best interests of employers, who save money and achieve better results, and employees, who avoid treatment like surgery that causes pain and unnecessary interference with the activities of daily living – including work. Employers can address these issues in two ways: employees should be educated to assure that their expectations of appropriate treatment are consistent with the reality that less treatment is more for this diagnosis; and, employers and their health plans should work together to establish and enforce conservative treatment guidelines for cases of this type.

Chronic illness differs: Two other diagnoses provided more complex results, perhaps because recommended “treatment” involved monitoring chronic illnesses. For diabetes cases, an astonishing 57% weren't afforded compliant monitoring services, despite the severe risk of serious deterioration (e.g., blindness/kidney failure) if the condition isn't controlled. It was difficult to assess the cost of non-compliant treatment because the study period was only one year and the diagnosis changes as the condition deteriorates. For this reason, full costs appear to go up when treatment is compliant because monitoring costs more in medical dollars. Note that this study is only for cases that are diagnosed. Education and preventive health risk assessments can be expected to result in benefits far out of proportion to costs. Major depression was the second chronic illness examined. Here, having a required psychiatric visit and medication available was achieved for 88% of those diagnosed with the illness, for an 8% savings in full-costs. The challenge here may be to assure the condition is prevented or diagnosed and treated effectively early in the life of the disease.

The full report is available to IBI members.