



**Division of Workers'  
Compensation**

**Medical Quality Review  
Calendar Year 2025 Annual Audit Plan**

December 16, 2024

## Section 1: Review Categories

The Medical Quality Review Annual Audit Plan (Audit Plan) sets priorities for the Medical Quality Review Panel (MQRP) audits during the upcoming year. In calendar year 2025, the Texas Department of Insurance, Division of Workers' Compensation (DWC) will conduct one audit to evaluate the quality of designated doctor reports, and the necessity of additional testing or referrals ordered by designated doctors to resolve the issue in question.

The MQRP will also assist with the Health Care Provider Performance Based Oversight 2025 Assessment to evaluate the documentation supporting how the injured employee's medical condition prevents them from returning to any work.<sup>1</sup> While these medical case reviews are excluded from the Medical Quality Review Process under 28 Texas Administrative Code (TAC) Section [180.68](#), MQRP will assist in completing these assessments.

In addition, MQRP members will also complete the study to evaluate the feasibility and impact of adopting a more current version of the *American Medical Association Guides to the Evaluation of Permanent Impairment* (AMA Guides), as approved in the Calendar Year 2024 Annual Audit Plan.<sup>2</sup> This study was dependent on the AMA Guides Sixth Edition, 2024 revisions to the musculoskeletal chapters 15-17, which were finalized on September 12, 2024, and effective December 1, 2024.<sup>3</sup>

Based on any feedback received, the medical advisor may modify the Audit Plan. The commissioner of workers' compensation must approve any recommended changes before adoption.

## Section 2: General Statement, Overview, and Purpose

Texas Labor Code Section [413.002](#) requires DWC to "monitor health care providers, insurance carriers, independent review organizations, and workers' compensation claimants who receive medical services to ensure the compliance of those persons with rules adopted by the commissioner relating to health care, including medical policies and fee guidelines." Labor Code Section [413.002](#) also states that, "in monitoring health care providers who serve as designated doctors under Chapter [408](#) DWC shall evaluate compliance with this subtitle and with rules adopted by the commissioner relating to medical policies, fee guidelines, treatment guidelines, return-to-work guidelines, and impairment ratings." DWC audits ensure that injured employees in the workers' compensation system receive medically necessary and appropriate health care that is timely and cost-effective, as well as facilitate functional recovery and appropriate return-to-work outcomes.

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<sup>1</sup> To get a copy of the 2025 Health Care Provider Methodology Paper, go to [Performance Based Oversight \(PBO\) \(texas.gov\)](#).

<sup>2</sup> [DWC Finalizes the Medical Quality Review Calendar Year 2024 Annual Audit Plan \(texas.gov\)](#).

<sup>3</sup> [AMA Guides Sixth 2024: Current medicine for permanent impairment ratings | American Medical Association \(ama-assn.org\)](#).

DWC's medical advisor oversees the Medical Quality Review Process conducted by the MQRP. Under 28 TAC Section [180.68](#), the Medical Quality Review Process is a medical case review initiated based on complaints, plan-based audits, or monitoring as a result of a consent order. The MQRP follows the criteria adopted under Labor Code Section [413.05115](#). DWC will manage the Medical Quality Review Process in a manner that is fair, open, and transparent to all workers' compensation system participants to the extent consistent with state confidentiality laws to help DWC monitor compliance with the Labor Code and DWC rules.

### **Section 3: Scope and Selection Criteria**

For each category in the Audit Plan, the medical advisor and DWC staff will define the scope and selection criteria for a plan-based audit. DWC will get input from system participants on the development of each individual plan-based audit proposal within the Audit Plan. Individual plan-based audit proposals will specify relevant steps and include specific procedures for each step, including, but not limited to:

- Inclusion and exclusion criteria.
- Service time frame to be audited.
- Sample size.
- Subject and case file selection.

The basis for determining the medical necessity and appropriateness of health care services is under the Labor Code; 28 TAC Chapter 180, [Subchapter C](#); and the Medical Quality Review Process.

### **Section 4: Conflicts**

The Audit Plan incorporates the approved Medical Quality Review Process. However, if a specific conflict exists between this plan and the Medical Quality Review Process, this plan prevails.

**Section 5: Approvals**

**Submitted by:**

 12/16/24

Graves Owen, M.D.                      Date  
Medical Advisor  
TDI, Division of Workers' Compensation

**Approved by:**

 12/16/24

Jeff Nelson                                      Date  
Commissioner  
TDI, Division of Workers' Compensation