

Greater MRO regulation called for as Medco review welcomed



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The Ministry of Justice decision to leave formal regulation of Medco’s medical reporting organisations on the backburner is a “missed opportunity”, according to commentators, amid hopes the government department’s pledge to keep the issue under review could see change in the future.

A year after Medco's launch, a March MoJ report into the soft injury claims portal has outlined several changes to the scheme that have been broadly welcomed by the industry.

However, some commentators consider MRO regulation should be addressed, with the Association of British Insurers also [voicing their support for this last year](#).

Aviva technical claims head Andrew Wilkinson predicted such regulation would garner the support of the industry at large.

"It does seem to me to be a missed opportunity but I do note that [the MoJ] are keeping that

under review," Wilkinson said.

"The whole of the insurance industry was calling for regulation; if you think about it you've got solicitors who are a regulated body, you've got insurers who are regulated bodies and, sitting between the two, you've got a completely unregulated sector.

"I would like to see some sort of timeframe in which the medical reporting agencies who provide the majority of medical experts to be regulated in some way."

Association of Personal Injury Lawyers CEO Deborah Evans said Apil would keep a watching brief on the issue but were taking a more cautious approach, given accreditation for the medics - but not the MROs themselves - is expected to be finalised by 1 June.

"It's a question really to be addressed a bit further down the line once accreditation has kicked in and we can then see if that has done something to improve the quality," Evans said.

"If audit and accreditation solve some of the quality issues, it may not necessarily be required because there is always the risk that you can build in too much regulation sometimes."

A 2015 Apil survey **raised concerns around the quality of MROs**, but Evans said: "Those sort of people really aren't going to be getting through this accreditation nor are they likely to get through audits that Medco are going to be doing either. The hope is that there may be a better system resulting as a consequence of the review."

Forum of Insurance Lawyers' representative on Medco Nigel Teasdale said it was important the system continued to evolve and particularly welcomed the commitment to review the need for formal regulation of MROs.

Increase in MROs offered

The MoJ report has committed to several changes, including increasing the offering for those using the system from seven MROs to 12, with two tier-1 and 10 tier-2 organisations to be presented.

Evans welcomed this move, adding: "It was really quite important because a large number of users felt their choice was quite inhibited before."

However, Wilkinson was disappointed by the change.

"When we envisaged Medco we envisaged randomness of selection, so you wouldn't necessarily be able to choose what you wanted, and that has been diluted by the offer being

expanded, certainly the MRO offer being expanded," Wilkinson said.

He considered the government appeared to have switched its focus towards financial links, rather than random selection.

The report also detailed changes to direct financial link statements. These include stronger wording around time limits for past relationships increasing the threshold from anytime in the past 12 months to anytime in the past three years.

There was no extension to the declaration to include familial links, however this is another area the MoJ is keeping under review.

Wilkinson said this was another element they would like to see reviewed in the future.

"Making it transparent that when a solicitor or other party instructs a medical expert there is no financial relationship; that absolutely has to be transparent for Medco the system to have confidence," he said.

Qualifying criteria for MROs were also changed. The MoJ report said: "As we stated in June 2015, the MoJ believes that practices such as registering multiple 'shell' MROs on the system must stop."

In a bid to address this, the MoJ will widen the criterion on minimum service level standards to ensure it applies to all MROs and introduce a new definition for these bodies.

The MoJ is taking feedback on a draft of this definition, with a survey live until 15 April.

Teasdale said the steps being taken to tighten up the regime and prevent practices that were undermining it were welcome.

"The changes to the qualifying criteria and the declaration of financial links should make the rules clearer and reduce the potential for abuse," he said.

Ahead of the Autumn Statement's proposed changes to soft tissue injury damages and increase in the small claims tribunal limit, Wilkinson said the government had made clear that Medco could be an integral part of any reforms.

"One can envisage if there were to be some form of threshold of damages for personal injury then you need probably a medical expert who's going to make a call," he said.

"I can personally see Medco being a facilitator of that process."