February 17, 2015

INDEPENDENT BILLING REVIEW FINAL DETERMINATION

<table>
<thead>
<tr>
<th>CLAIM NUMBER / INJURED EMPLOYEE</th>
<th>DATE OF SERVICE / DATE OF INJURY</th>
<th>AMOUNT IN DISPUTE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>01/31/2014; 02/04/2014; 02/13/2014; 02/17/2014 / 08/08/2013</td>
<td>$ 283.42</td>
</tr>
<tr>
<td></td>
<td>03/06/2014 / 06/18/2011</td>
<td>$ 55.71</td>
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<tr>
<td></td>
<td>01/29/2014 / 09/20/2012</td>
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<td>02/10/2014; 02/14/2014; 02/17/2014; 02/24/2014 / 09/04/2013</td>
<td>$ 189.42</td>
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Dear

MAXIMUS Federal Services has completed the Independent Bill Review (“IBR”) of the above workers’ compensation case. This letter provides you with the IBR Final Determination and explains how the determination was made.
Final Determination: UPHOLD. MAXIMUS Federal Services has determined that no additional reimbursement is warranted. The Claims Administrator’s determination is upheld and the Claim Administrator does not owe the Provider additional reimbursement. A detailed explanation of the decision is provided later in this letter.

The determination of MAXIMUS Federal Services and its expert reviewer is deemed to be the Final Determination of the Administrative Director of the Division of Workers’ Compensation. This determination is binding on all parties. In certain limited circumstances, you can appeal the Final Determination. Appeals must be filed with the Workers’ Compensation Appeals Board within 20 days from the date of this letter. For more information on appealing the final determination, please see California Labor Code Section 4603.6(f).

Sincerely,

Paul Manchester, MD, MPH
Medical Director

cc: [Redacted]
DOCUMENTS REVIEWED

Pertinent documents reviewed to reach the determination:

- The Independent Bill Review Application
- The original billing itemization
- Supporting documents submitted with the original billing
- Explanation of Review in response to the original bill
- Request for Second Bill Review and documentation
- Supporting documents submitted with the request for second review
- The final explanation of the second review
- Official Medical Fee Schedule
- Negotiated contracted rates: PPO Contract
- National Correct Coding Initiatives
- Other: §89.15.4. Physical Medicine/Chiropractic/Acupuncture Multiple Procedure Payment Reduction; Pre-Authorization for Specified Procedure/Modality Services.

HOW THE IBR FINAL DETERMINATION WAS MADE

MAXIMUS Federal Services Chief Coding Specialist reviewed the case file and researched pertinent coding and billing standards to reach a determination. In some cases a physician reviewer was employed to review the clinical aspects of the care to help make a determination. He/she has no affiliation with the employer, employee, providers or the claims administrator. The expert reviewer was selected based on his/her clinical experience, education, background, and expertise in the same or similar specialties that evaluate and/or treat the medical condition and disputed items/services.

ANALYSIS AND FINDING

Based on review of the case file the following is noted:

- ISSUE IN DISPUTE: Provider is dissatisfied with reimbursement of code 97110 for multiple injured workers on separate dates of service.
- Claims administrator reimbursed code 97110 indicating on the Explanation of Review “The charge exceeds the Official Medical Fee Schedule allowance. The charge has been adjusted to the scheduled allowance” and “This charge was adjusted to comply with the rate and rules of the contract indicated.”
- Provider states in the Underpayment Appeal letter submitted with each injured worker’s documentation “This letter is to address the underpayment for Physical therapy claims According to OMFS 1/1/2014 5.3 Physical therapy is subject to the multiple payment reduction, You have not been applying the reduction correctly according to Medicare (MPPR) CY 2014 CMS 1600 FC these claims were processed by unit and not by procedure code as the standard for multiple payment reduction. Please reprocess all claims that were under paid based on your incorrect application of the multiple payment reduction rules. According to the reduction, the first procedure is paid at 100% and the second procedure is reduced. You have paid 1 unit of the first procedure at 100% and reduced the second and subsequent units of the same procedure code. This is incorrect.”
• Pursuant Chapter 4.5 Division of Workers’ Compensation, subchapter 1. Administrative Director – Administrative Rules, Article 5.3 Official Medical Fee Schedule, §89.15.4. Physical Medicine/Chiropractic/Acupuncture Multiple Procedure Payment Reduction; Pre-Authorization for Specified Procedure/Modality Services: (2) many therapy services are time-based codes, i.e., multiple units may be billed for a single procedure. The MPPR applies to the Practice Expense ("PE") payment when more than one unit or procedure is provided to the same patient on the same day, i.e., the MPPR applies to multiple units as well as multiple procedures. Full payment is made for the unit or procedure with the highest PE payment. Full payment is made for the work and malpractice components and 50 percent payment is made for the PE for subsequent units and procedures, furnished to the same patient on the same day.

• Based on information reviewed, additional reimbursement for code 97110 is not warranted.

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: Reimbursement of code 97110 is not recommended.

<table>
<thead>
<tr>
<th>Date of Service: Multiple injured workers with separate dates of service.</th>
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<tbody>
<tr>
<td><strong>Physician Services</strong></td>
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<td>Claim number/Injured Worker</td>
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<td>01/31/2014; 02/04/2014; 02/13/2014; 02/17/2014; DOI: 08/08/2013</td>
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