Independent Bill Review Final Determination Upheld

10/1/2014

Dear [Name]:

**Determination:**
A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 4/4/2014, by the Administrative Director of the California Division of Workers’ Compensation pursuant to California Labor Code section 4603.6. MAXIMUS Federal Services has determined that the Claims Administrator’s determination is upheld. This determination finds that the Claims Administrator does not owe the Provider additional reimbursement.

**Pertinent Records and Other Appropriate Information Relevant to the Determination Reviewed:**
The following evidence was used to support the decision:
- 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
- Other: OMFS Inpatient Hospital Fee Schedule
Supporting Analysis:
The dispute regards the payment amount for inpatient hospital services 1/23/2013 – 1/26/2013. The Provider billed services and supplies related to the DRG 460. The Claims Administrator paid $45,128.12 for the inpatient services.

The Provider submitted a claim for inpatient hospital services and is requesting additional reimbursement for the other implants billed under Revenue code 278 and DRG 460.

Pursuant to California Code of Regulations, Title 8 Section 9789.22(g)(2): For discharges occurring on or after January 1, 2013 but before January 1, 2014, an additional allowance of $9,140.00 shall be made for spinal devices used during complex spinal surgery MS-DRGs 453, 454 and 455; an additional allowance of $3,170.00 shall be made for spinal devices used during complex spinal surgery MS-DRG 456, and an additional allowance of $670.00 shall be made for spinal devices used during complex spinal surgery MS-DRGs 028, 029 and 030. Based on the date of service and DRG, an additional allowance for the other implants is not warranted.

The Inpatient Hospital Fee Schedule for California Workers’ Compensation maximum payment amount is determined by multiplying the DRG weight x hospital composite factor x 1.20 per California Code of Regulations, Title 8 Section 9789.2(o).

Based on a review of the documentation, the inpatient services were reimbursed based on PPO contract. The Claims Administrator’s explanation of review (EOR) indicated a payment of $45,128.12 and a PPO discount of $5,577.62. In reviewing the EOR, it was determined the inpatient services billed under the DRG 460 were paid according to the Official Medical Fee Schedule and the PPO contract indicated on the EOR for the dates of service 1/23/2013 - 1/26/2013. The Official Medical Fee Schedule allowance for the inpatient services billed under DRG 460 for dates of service 1/23/2013 – 1/26/2013 is $50,705.74. Additional reimbursement is not recommended for the billed inpatient services.

The chart below provides a comparison of billed charges and reimbursement rates for the codes and dates of services at issue.

<table>
<thead>
<tr>
<th>Validated Code</th>
<th>Dispute Amount</th>
<th>Total Fee Schedule Allowance</th>
<th>Provider Paid Amount</th>
<th>Allowed Recommended Reimbursement</th>
<th>Fee Schedule Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRG 460</td>
<td>$27,149.86</td>
<td>$45,128.12</td>
<td>$45,128.12</td>
<td>$0.00</td>
<td>PPO Contract</td>
</tr>
</tbody>
</table>

Chief Coding Specialist Decision Rationale:
This decision was based on OMFS Inpatient Hospital Fee Schedule, PPO Contract and comparison with explanation of review (EOR). This was determined correctly by the Claims Administrator and the payment of $45,128.12 is upheld.
This decision constitutes the final determination of the Division of Workers’ Compensation Administrative Director, is binding on all parties, and is not subject to further appeal except as specified in Labor Code section 4603.6(f).

Sincerely,

[Name], RHIT
Chief Coding Reviewer

Copy to:
[Redacted]

Copy to:
[Redacted]