Dear [Redacted]:

Determination:

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 04/14/2014, 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: §9789.22. Payment of Inpatient Hospital Services.
ANALYSIS AND FINDING

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

- **ISSUE IN DISPUTE:** Code DRG 460 and REV 278 is under review as it was denied in full (or part) for SERVICE.
- Provider billed total charge of $151,841.00 for dates of service 01/24/13 – 01/26/2013
  - $90,455.10 for Diagnosis Related Group 460 Spinal Fusion except Cervical without major complication or comorbidity.
  - $61,386.00 Revenue Code for “Other Implants.”
- Provider UB-04 verifies DRG 460 billed to Claims Administrator
- Claims Administrator reimbursed the Provider $45,128.09 of the $151,841.10 charge for the following reason: “The billing was paid per maximum per admission. Your (Claims Administrator) contract deducted more per your contract. Please contact your (Claims Administrator) representative for information.”
- Contractual Agreement between Provider and Claims Administrator is not availed for IBR. As such, the calculations per contractual agreement cannot be determined.
- A standard PPO deduction appears to be applied correctly.
- §9789.22. Payment of Inpatient Hospital Services. (g)(2) Additional allowance for spinal devices used in complex spinal surgery: For discharges occurring on or after January 01, 2013 but before January 01, 2014, an additional allowance of $9,140 shall be made for spinal devices used during complex spinal surgery MS-DRGs 453, 454, and 455; an additional allowance of $3,170 shall be made for spinal devices used during complex spinal surgery MS-DRG 456; and an additional allowance of $670 shall be made for spinal devices used during complex spinal surgery MS-DRGs 028, 029, and 030.
- Provider Billed DRG 460
- Implantable medical devices, hardware, and instrumentation are inclusive to DRG 460 as this code is not listed in §9789.22, section (g.)(2) as separately reimbursable components.
- Based on the aforementioned guidelines, additional reimbursement is not warranted for DRG 460 or Revenue Code 278.

The table below describes the pertinent claim line information.

- **DETERMINATION OF ISSUE IN DISPUTE:** Reimbursement not warranted as per aforementioned guidelines for code DRG 460 and REV 278.
<table>
<thead>
<tr>
<th>Service Code</th>
<th>Provider Billed</th>
<th>Plan Allowed</th>
<th>Dispute Amount</th>
<th>Units</th>
<th>Workers’ Comp Allowed Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRG 460</td>
<td>$90,455.10</td>
<td>$45,128.09</td>
<td>$18,244.32</td>
<td>1</td>
<td>$45,128.09</td>
<td>Refer to Analysis</td>
</tr>
<tr>
<td>REV 278</td>
<td>$61,386.00</td>
<td>$0.00</td>
<td>$12,698.70</td>
<td>1</td>
<td>N/A</td>
<td>Refer to Analysis</td>
</tr>
</tbody>
</table>

DRG Wt. 3.8580 x 1.2 X Pacific Hospital 10,952.51 = $50,705.74 - $5,577.65 PPO Discount = $45,128.09

Determination: UPHOLD

Chief Coding Specialist Decision Rationale:

This decision was based on provided documentation and comparison with §9789.22 (g)(2), Payment of Inpatient Hospital Services. This was determined correctly by the Claims Administrator and the payment of $45,128.09 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,

[Signature]
Chief Coding Reviewer

Copy to: