Dear [Name]:

**Determination**

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 2/21/2014, 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 1/21/2013-1/30/2013. The Provider billed services and supplies related to the DRG 473. The Claims Administrator paid $40,543.47 for the inpatient services with the explanation "Reimbursement based on high cost outlier methodology under CA Code of Regulations 9789.22."

The Provider submitted a claim for inpatient hospital services and is requesting additional reimbursement for the services, implants and/or supplies billed under DRG 460.

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, per California Code of Regulations, Title 8 Section 9789.22(g)(2). Based on the date of service and DRG, an additional allowance for the implantable hardware is not warranted.

The OMFS Inpatient Hospital Fee Schedule maximum payment amount is that amount determined by multiplying the DRG weight x hospital composite factor x 1.20 and by making any adjustments required in California Code of Regulations, Title 8 Section 9789.22. Based on the billed charges and OMFS Inpatient Fee Schedule allowance for DRG 473, the case qualifies for additional allowance under the Cost Outlier case methodology.

Based on a review of the documentation, the inpatient services were reimbursed based the outlier methodology minus a PPO discount. The Claims Administrator's explanation of review (EOR) indicated a payment of $40,543.47 and a PPO discount of $827.42. According to the EOR, the inpatient services billed under the DRG 473 were paid according to the Official Medical Fee Schedule and the PPO contract for dates of service 1/21/2013-1/30/2013. Additional reimbursement is not recommended.

There is no additional reimbursement warranted per the Official Medical Fee Schedule Inpatient Hospital Services DRG 473.

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 473</td>
<td>$31,081.93</td>
<td>$40,543.47</td>
<td>$40,543.47</td>
<td>$0.00</td>
<td>PPO Contract</td>
</tr>
</tbody>
</table>

Chief Coding Specialist Decision Rationale:
This decision was based on medical record, explanation of review, PPO contract and comparison with OMFS Inpatient Hospital Fee Schedule. This was determined correctly by the Claims Administrator and the payment of $40,543.47 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,

[Redacted], RHIT

Copy to:
[Redacted]

Copy to:
[Redacted]