Determination:
A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 2/28/2014, 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 reversed. The Claims Administrator is required to reimburse you the IBR fee of $335.00 and the amount found owing of $582.87, for a total of $917.87.

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
- Official Medical Fee Schedule or negotiated contract: OMFS
- Other: OMFS Pharmacy Fee Schedule
Supporting Analysis:
The dispute regards the denial for a compounded drug product billed as NDC #38779073105 (Dilaudid), 38779056104 (Clonidine) and 38779196806 (Sufenta), and the payment amount for pharmaceutical billed with NDC 18860072010 (Prialt). The explanation of review (EOR) indicated the billed compounded drug NDCs were denied with the following explanation “The place of service where the medication(s) was an ASC. The medications administered were an integral part of the services provided at the ASC, therefore should be billed by the ASC.” The Claims Administrator reimbursed $381.94 for the billed NDC 18860-0720-10 with the explanation “According to the submitted documentation, the quantity of medication for NDC 18860072010 represents 1.5 mcg per ml; based on the information the total quantity priced is .6 ml NDC 18860072010 (Prialt) J2278, this medication is priced per ml per the DWC Pharmacy Fee Schedule. The provider is billing 100 units and the actual quantity used to refill the pump 0.6 ml 1.5mcg x 40 = 60 mcg required 1 ml contains 100 mcg 100mcg/60mcg required = .6 ml; quantity of medication per ml x refill quantity = total quantity. This total is then converted to metric DECM.”

The medications were prescribed for an intrathecal pump fill and adjustment. The medications were ordered by the Provider and delivered to the Provider's office. The worker's pump was refilled and reprogrammed to deliver the medications: Hydromorphone, Clonidine, Prialt and Sufentanil on date of service 7/16/2013, at the surgery center.

The Intrathecal Pump Maintenance and Administration Record documented an order for Hydromorphone HCL 14 mg/ml and Sufentanil 300 mcg/ml, Clonidine 1400 mcg/ml and Prialt 100 mcg/ml for a total volume of 21 ml. Although, the Administration Record documented .63ml of the ml vial of Prialt was used; the Prialt medication is purchased as a single use vial and reimbursement should be based on the allowance for the 100mcg/ml vial under NDC 18860072010.

Per Labor Code Section 5307(e)(2), any compounded drug product shall be billed by the compounding pharmacy or dispensing physician at the ingredient level, with each ingredient identified using the applicable National Drug Code (NDC) of the ingredient and the corresponding quantity, and in accordance with regulations adopted by the California State Board of Pharmacy. Ingredients with no NDC shall not be separately reimbursable. The ingredient-level reimbursement shall be equal to 100 percent of the reimbursement allowed by the Medi-Cal payment system and payment shall be based on the sum of the allowable fee for each ingredient plus a dispensing fee equal to the dispensing fee allowed by the Medi-Cal payment systems. If the compounded drug product is dispensed by a physician, the maximum reimbursement shall not exceed 300 percent of documented paid costs, but in no case more than twenty dollars ($20) above documented paid costs.

The documented paid cost/invoice for the compounded drug product was submitted as part of the documentation. The documented paid cost for the compounded drug product (Hydromorphone, Sufentanil and Clonidine) for the pump refill for dates of service 7/12/2013 was documented on the invoice as $301.00. Reimbursement is warranted for the compounded drug product based on the paid cost ($301.00) plus $20.00.

The billed medication Prialt is not included in the compounded drug product and is priced separately, based on the DWC Pharmacy Fee Schedule. The reimbursement by the Claims Administrator was only a partial payment and should have been based on one unit of NDC 18860072010 (100mcg/ml Single Use Vial).
The additional reimbursement of 582.87 is warranted for the billed NDC codes: 38779073105 (Dilaudid); 38779056104 (Clonidine); 38779196806 (Sufenta) and 18860072010 (Prialt).

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

<table>
<thead>
<tr>
<th>Validated Code</th>
<th>Validated Units</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>Compounded Drug</td>
<td></td>
<td></td>
<td>$29,930.00</td>
<td>$321.00</td>
<td>$0.00</td>
<td>OMFS</td>
</tr>
<tr>
<td>Prialt 18860072010</td>
<td>1ml</td>
<td>$1,418.06</td>
<td>$643.81</td>
<td>$381.94</td>
<td>$261.87</td>
<td>OMFS</td>
</tr>
</tbody>
</table>

MAXIMUS Federal Services, as the Independent Bill Review Organization, has determined the Claims Administrator owes the Provider additional reimbursement. The Claims Administrator is required to reimburse the Provider for the IBR application fee ($335.00) and the OMFS amount for NDC codes 38779073105, 38779056104, 38779196806 and 18860072010 ($582.87) for a total of $917.87.

The Claims Administrator is required to reimburse the provider $917.87 within 45 days of date on this notice per section 4603.2 (2a). 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,