Dear [Name]:

**Determination**
A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 3/7/2014, 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 Outpatient Hospital Fee Schedule, National Correct Coding Initiative Editor Version 19.3 (10/1/2013-12/31/2013)
Supporting Analysis:
The dispute regards the payment for surgical facility services on date of service 11/18/2013. The facility services were billed on UB-04/CMS1450 using revenue codes for services and supplies related to CPT 29881, and CPT 29875. The Claims Administrator reimbursed $2,673.75 for the billed procedure code 29881. The Claims Administrator denied the billed procedure code 29875 with the explanation “The charge exceeds the Official Medical Fee Schedule allowance. The charge has been adjusted to the scheduled allowance.”

- **CPT 29881** – Arthroscopy, knee, surgical; with meniscectomy (medial OR lateral, including any meniscal shaving) including debridement/shaving of articular cartilage (chondroplasty), same or separate compartment(s), when performed
- **CPT 29875** – Arthroscopy, knee, surgical; synovectomy, limited (e.g., plica or shelf resection) (separate procedure)

The Provider is disputing the reimbursement of the billed codes 29881 and 29875. The “Providers’ Request for Second Bill Review” listed CPT 29881 and 29875 as the treatment/service item in dispute.

Pursuant to Labor Code section 5307.1(g)(2), the Administrative Director of the Division of Workers’ Compensation orders that Title 8, California Code of Regulations, sections 9789.30 and 9789.31, pertaining to Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule in the Official Medical Fee Schedule, is amended to conform to CMS’ hospital outpatient prospective payment system (OPPS). The Administrative Director incorporates by reference, the Centers for Medicare and Medicaid Services' (CMS) Hospital Outpatient Prospective Payment System (OPPS) certain addenda published in the Federal Register notices announcing revisions in the Medicare payment rates. The adopted payment system addenda by date of service are found in the Title 8, California Code of Regulations, and Section 9789.39(b). Based on the adoption of the CMS hospital outpatient prospective payment system (OPPS), CMS coding guidelines and the hospital outpatient prospective payment system (OPPS) were referenced during the review of this Independent Bill Review (IBR) case.

Based on the provider type, the reimbursement for services is calculated on the Centers for Medicare and Medicaid Services (CMS) Outpatient Prospective Payment System (OPPS). Procedures are assigned APC weights and "Proposed Payment Status Indicators." The surgical CPT codes 29881 and 29875 have an assigned indicator of "T". The "T" indicator definition is "Significant procedure, multiple procedure reduction applies" and qualifies for separate APC payment.

The Operative Report documented the following operations performed: Arthroscopic partial meniscectomy of the lateral meniscus; and resection of medial plica and synovectomy, arthroscopic.

The CPT code 29875 is designated as a "separate procedure". The inclusion of this statement indicates that the procedure can be performed separately but should not be reported when a related service is performed. A “separate procedure” should not be reported when performed along with another procedure in an anatomic related region through the same skin incision or orifice, or surgical approach. The CPT code 29881 is a more extensive procedure that includes CPT code 29875. Accordingly, only the more extensive procedure, CPT code 29881 should be reported. The CPT code 29875 is bundled into CPT code 29881. No additional reimbursement is recommended for the billed procedure code 29875.

IBR Final Determination Upheld
Form Effective Date 7.23.13
Per a review of the explanation of review, the reimbursement of the billed code 29881 was based on the OMFS Outpatient Hospital Fee Schedule allowance of $2,906.25 minus a PPO discount of $232.50. The reimbursement of CPT 29881 by the Claims Administrator was correct.

There is no additional reimbursement warranted per the Official Medical Fee Schedule codes 29881 and 29875.

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>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>29881</td>
<td>1</td>
<td>$0.00</td>
<td>$2,673.75</td>
<td>$2,673.75</td>
<td>$0.00</td>
<td>PPO Contract</td>
</tr>
<tr>
<td>29875</td>
<td>1</td>
<td>$1,336.88</td>
<td>$0.00</td>
<td>$0.00</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 (EOR) and comparison with OMFS Outpatient Hospital and Ambulatory Surgery Center Fee Schedule. This was determined correctly by the Claims Administrator and the payment of $2,673.75 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], RHIT

Copy to:
[Redacted]

Copy to:
[Redacted]