INDEPENDENT BILLING REVIEW FINAL DETERMINATION

November 25, 2014

Dear [Provider Name]:

MAXIMUS Federal Services has completed the Independent Bill Review ("IBR") of the above workers’ compensation case. This letter provides you with the IBR Final Determination and explains how the determination was made.

**Final Determination: UPHOLD.** MAXIMUS Federal Services has determined that no additional reimbursement is warranted. The Claims Administrator’s determination is upheld and the Claim Administrator does not owe the Provider additional reimbursement. A detailed explanation of the decision is provided later in this letter.

The determination of MAXIMUS Federal Services and its expert reviewer is deemed to be the Final Determination of the Administrative Director of the Division of Workers’ Compensation. This determination is binding on all parties. In certain limited circumstances, you can appeal the Final Determination. Appeals must be filed with the Workers’ Compensation Appeals Board within 20 days from the date of this letter. For more information on appealing the final determination, please see California Labor Code Section 4603.6(f).

Sincerely,

[Medical Director]

cc: [CC Name]
DOCUMENTS REVIEWED

Pertinent documents reviewed to reach the determination:

- The Independent Bill Review Application
- 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
- Negotiated contracted rates: PPO Contract Discount 20%
- National Correct Coding Initiatives
- Other: OMFS Inpatient Hospital Fee Schedule, Title 8 California Code of Regulations

HOW THE IBR FINAL DETERMINATION WAS MADE

MAXIMUS Federal Services Chief Coding Specialist reviewed the case file and researched pertinent coding and billing standards to reach a determination. In some cases a physician reviewer was employed to review the clinical aspects of the care to help make a determination. He/she has no affiliation with the employer, employee, providers or the claims administrator. The expert reviewer was selected based on his/her clinical experience, education, background, and expertise in the same or similar specialties that evaluate and/or treat the medical condition and disputed items/services.

ANALYSIS AND FINDING

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

- **ISSUE IN DISPUTE**: Provider is dissatisfied with reimbursement of DRG 457.
- Based on review of the operative report a complex spinal surgery was performed on date of service 09/10/2013.
- Pursuant Title 8 CCR, §9789.22, Inpatient Hospital Services, (f) (1) Cost Outlier cases. Inpatient services for cost outlier cases, shall be reimbursed as follows: Step 1: Determine the Inpatient Hospital Fee Schedule maximum payment amount (DRG weight x 1.2 x hospital specific composite factor). OM; Step 2: Determine costs. Costs = ((total billed charges - charges for spinal devices) x total cost-to-charge ratio)) + documented paid spinal device costs, net of discounts and rebates, plus any sales tax and/or shipping and handling charges actually paid.
- Total Cost could not be determined as required invoices submitted had order and delivery dates post-surgery date which makes them invalid for this review. Medtronic Invoice has an Order Date of 10/14/2013 with Due Date 11/14/2013. [Redacted] Invoice has an Order Date of 09/11/2013 with a Ship Date of 09/23/2013. Without correct documentation to validate all hardware items listed in the Operative Report dated 09/10/2013 coincide with billed supply units, this IBR is unable to determine a final cost. Therefore, no further reimbursement is recommended.
The table below describes the pertinent claim line information.

**DETERMINATION OF ISSUE IN DISPUTE:** Based on information received, additional reimbursement of DRG 457 is warranted.

<table>
<thead>
<tr>
<th>Date of Service: 9/10/2013</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Inpatient Hospital Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Code</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>DRG 457</td>
</tr>
</tbody>
</table>

Copy to:

[Redacted]

Copy to:

[Redacted]