

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
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Independent Bill Review Final Determination Reversed

9/15/2014

████████████████████
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IBR Case Number:	CB13-0000536	Date of Injury:	8/19/2008
Claim Number:	████████████████	Application Received:	9/27/2013
Claims Administrator:	██		
Date(s) of service:	5/8/2013 – 5/8/2013		
Provider Name:	██		
Employee Name:	██		
Disputed Codes:	E1399 RR		

Dear ████████████████████:

Determination:

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 3/27/2014, 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 \$330.00, for a total of \$665.00.**

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: CMS' Durable Medical Equipment, Prosthetics/Orthotics, and supplies (DMEPOS) Fee Schedule

Supporting Analysis:

The dispute regards the denial of Durable Medical Equipment (E1399 Modifier RR).

The initial review by the Claims Administrator resulted in a denial of reimbursement for the billed HCPCS E1399 RR with the following explanations:

- Number of services exceed utilization agreement
- Payment denied/reduced for absence of, or exceeded, pre-certification/authorization. Pre-authorization was not obtained and treatment was rendered without the approval of treating doctor
- Payment based on individual pre-negotiated agreement for this specific service

The final explanation of review did not yield any additional reimbursement and offered the following explanations:

- A payment or denial has already been recommended for this service
- This appears to be a duplicate charge for a bill previously reviewed, or this appears to be a "Balance Forward Bill" containing a duplicate charge and billing for a new service
- The charge exceeds the OMFS allowance. The charge has been adjusted to the scheduled allowance
- The 90 day period to submit a request for second review began with the date of the first review of this service

2013 HCPCS Code descriptions:

- E1399: Durable Medical Equipment, miscellaneous
- Modifier RR: Rental (use the 'RR' modifier when DME is to be rented)

The Provider is the manufacturer of the supplied Durable Medical Equipment (H-Wave Home Device). The DME equipment was billed using the HCPCS E1399. The HCPCS code E1399 is not listed on the CMS' Durable Medical Equipment, Prosthetics/Orthotics, and supplies (DMEPOS) Fee Schedule. The cost of the item was documented on the invoice at \$3,300.00. The original bill submitted with the documentation indicated a billing for one (1) unit of the billed HCPCS code E1399 Modifier RR. The documentation included a prescription for the H-wave Home Care system. The prescription was from the Primary Treating physician on a report titled "Primary Treating Physician's Progress Report Addendum." The Treatment Plan and Prescription indicated "30 day Evaluation Trial of the H-Wave Homecare System."

The supplied documentation included an authorization letter from the Claims Administrator, the following authorization was provided on the letter dated 5/23/2013:

- Service being appealed: Appeal 30 day trial of the H-Wave System for the Low Back E1399
- Start Date: 05/23/2013 End Date: 6/28/2013
- Services must be provided by a PPO Provider
- Determination: Approval
- Authorization #: 1332500.01
- Date Appeal Received: 05/21/2013

- History: Appeal 30 day trial of the H-Wave System for the Low Back previously denied on 05/08/13 on review id number 1332500
- Authorization listed the injured worker, attorney, requesting provider and facility (Electronic Waveform Lab)

The DME equipment was billed using the HCPCS E1399. The HCPCS code E1399 is not listed on the CMS' Durable Medical Equipment, Prosthetics/Orthotics, and supplies (DMEPOS) Fee Schedule. A written appeal was submitted with the documentation. The appeal indicated a monthly charge of \$330.00 and purchase price of \$3,300.00. The 30 day rental of E1399 was authorized; therefore, the reimbursement of H-Wave unit billed using HCPCS E1399 Modifier RR is warranted and should have been based on the Provider's billed amount of \$330.00.

The additional reimbursement of \$330.00 is warranted per the Official Medical Fee Schedule code E1399 Modifier RR.

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

Validated Code	Validated Modifier	Validated Units	Dispute Amount	Total Fee Schedule Allowance	Provider Paid Amount	Allowed Recommended Reimbursement	Fee Schedule Utilized
E1399	RR	1	\$330.00	\$330.00	\$0.00	\$330.00	OMFS

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 HCPCS code E1399 Modifier RR (\$330.00) for a total of \$665.00.

The Claims Administrator is required to reimburse the provider \$665.00 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,

██████████, RHIT
Chief Coding Reviewer

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