

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
P.O. Box 138006
Sacramento, CA 95813-8006
Fax: (916) 605-4280

Independent Bill Review Final Determination Reversed

2/13/2014

[REDACTED]
[REDACTED]
[REDACTED]

Re: Claim Number: [REDACTED]
Claims Administrator name: [REDACTED]
Date of Disputed Services: 1/8/2013 – 1/8/2013
MAXIMUS IBR Case: CB13-0000648

Dear [REDACTED]

Determination:

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 01/17/2014, 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 \$3,898.99, for a total of \$4,233.99.**

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: Medicare and Medicaid Services (CMS) Outpatient Prospective Payment System (OPPS)

Supporting Analysis:

The dispute regards the payment for surgical facility services on date of service 1/8/2013. The facility services were billed on a UB-04/CMS1450 using revenue codes for services and supplies related to a spinal surgery. The Provider billed the following CPT codes: 22842, 20936, 63047, 63048, 63048 Modifier 59, 22325, 22554 RT, and 22554 LT. The Claims Administrator allowed reimbursement of \$11,278.06 for CPT 22842, 20936, 63047, 63048, 63048 Modifier 59, 22325, 22554 RT and 22554 LT with the explanation "The charge has been adjusted to OMFS." The Provider is disputing the reimbursement amount of the procedure codes 63047, 63048 and 63048 Modifier 59. The Claims Administrator reimbursed \$350.66 for CPT 63047, \$350.69 for CPT 63048, and \$350.59 for CPT 63048 Modifier 59.

CPT 63047 - Laminectomy, facetectomy and foraminotomy (unilateral or bilateral with decompression of spinal cord, cauda equina and/or nerve root(s), [e.g., spinal or lateral recess stenosis]), single vertebral segment; lumbar

CPT 63048 - Laminectomy, facetectomy and foraminotomy (unilateral or bilateral with decompression of spinal cord, cauda equina and/or nerve root[s], [e.g., spinal or lateral recess stenosis]), single vertebral segment; each additional segment, cervical, thoracic, or lumbar (list separately in addition to code for primary procedure)

Modifier 59 - Distinct procedural service

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, 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) was 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 billed 63047 and 63048 have an assigned indicator of "T". The "T" indicator definition is "Significant procedure, multiple procedure reduction applies" and qualifies for separate APC payment.

Based on a review of the multiple surgery guidelines and NCCI edits, there are no edits regarding the reporting of CPT codes 63047 and 63048 with the other reported surgical procedure codes for the spinal surgery (22842, 22325, 20975, or 20936) for date of service 1/8/2013. The CPT codes 63047 and 63048 are covered procedures and allowances should be based on 50% on the OMFS Hospital Outpatient Fee Schedule amount. The operative report documented partial laminectomy procedures on L4, L5 and S1. The explanation of review (EOR) did not indicate a PPO contract, or negotiated fee was utilized in the payment calculation. Based on a review of the EOR, it does not appear the surgical procedures were reimbursed according to the multiple surgery guidelines or Official Medical Fee Schedule. The recommended allowances for CPT 63047, CPT 63048 and CPT 63048 Modifier

59 were calculated based on the OMFS Hospital Outpatient Departments and Ambulatory Surgical Center guidelines.

The additional reimbursement of \$3,898.99 is warranted per the surgical facility service, Official Medical Fee Schedule codes 63047, 63048 and 63048 Modifier 59.

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
63047		1	\$2,010.58	\$1,650.31	\$350.66	\$1,299.65	OMFS
63048		1	\$2,010.58	\$1,650.31	\$350.69	\$1,299.62	OMFS
63048	59	1	\$2,010.58	\$1,650.31	\$350.59	\$1,299.72	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 CPT code 63047, 63048 and 63048 Modifier 59 (\$3,898.99) for a total of \$4,233.99.

The Claims Administrator is required to reimburse the provider \$4,233.99 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

Copy to:

████████████████████
████████████████
████████████████████

Copy to:

██
██
██