

**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**

9/19/2014

[REDACTED]  
[REDACTED]  
[REDACTED]

IBR Case Number:	CB13-0000789	Date of Injury:	09/07/1993
Claim Number:	[REDACTED]	Application Received:	11/25/2013
Claims Administrator:	[REDACTED]		
Date(s) of service:	07/09/2013 – 07/09/2013		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	NDC 38779175603		

Dear [REDACTED]:

**Determination:**

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 03/28/2014, 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 \$9.82, for a total of \$344.82.**

**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: PPO Contract
- Other: OMFS Pharmacy Fee Schedule

## Supporting Analysis:

Pursuant to Labor Code Section 5307.1(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 dispute regards the payment amount for a compound drug product billed using NDC 38779-1756-03 (Fentanyl). The initial explanation of review (EOR) indicated a reimbursement of \$9.18 for the compound drug product with the following explanation:

- The charge exceeds the Official Medical Fee Schedule allowance. The charge has been adjusted to the scheduled allowance
- This charge was adjusted to comply with the rate and rules of the contract indicated
- The recommended allowance is based on usual, customary and reasonable rates for this geographical area

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: Fentanyl and Prialt.

The Provider submitted an Invoice for Fentanyl, strength .15mg/ml; volume 20ml and invoice price of \$30.00. The documented paid costs plus \$20.00 is \$50.00. The Workers' Compensation Pharmacy allowance is based on the sum of the fee for each ingredient plus the compound dispensing fee. The Workers' Compensation fee schedule allowance is \$22.35 (total cost of ingredients + dispensing fee). Additional reimbursement for NDC 38779-1756-03 (Fentanyl) is recommended based on the Workers' Compensation Pharmacy fee allowance of \$22.35 minus a 15% PPO discount

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

Validated Code	Validated Units	Dispute Amount	Total Fee Schedule Allowance	Provider Paid Amount	Allowed Recommended Reimbursement	Fee Schedule Utilized
38779175603	.003gm	\$290.82	\$19.00	\$9.18	\$9.82	PPO Contract

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 38779-1756-03 (\$9.82) for a total of \$344.82.

***The Claims Administrator is required to reimburse the provider \$344.82 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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