

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

9/24/2014

████████████████████
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IBR Case Number:	CB13-0000792	Date of Injury:	09/10/2010
Claim Number:	████████████████	Application Received:	11/25/2013
Claims Administrator:	██		
Date(s) of service:	05/9/2013 – 05/9/2013		
Provider Name:	██		
Employee Name:	██		
Disputed Codes:	NDC 11383027104, 60505006501 and 65162003311		

Dear ████████████████████:

Determination:

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 03/21/2014, 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 \$234.06, for a total of \$569.06.**

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: OMFS Pharmacy Fee Schedule, Red Book Online

Supporting Analysis:

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.

(3) For a dangerous drug dispensed by a physician that is a finished drug product approved by the federal Food and Drug Administration, the maximum reimbursement shall be according to the official medical fee schedule adopted by the administrative director.

(4) For a dangerous device dispensed by a physician, the reimbursement to the physician shall not exceed either of the following:

(A) The amount allowed for the device pursuant to the official medical fee schedule adopted by the administrative director.

(B) One hundred twenty percent of the documented paid cost, but not less than 100 percent of the documented paid cost plus the minimum dispensing fee allowed for dispensing prescription drugs pursuant to the official medical fee schedule adopted by the administrative director, and not more than 100 percent of the documented paid cost plus two hundred fifty dollars (\$250).

(5) For any pharmacy goods dispensed by a physician not subject to paragraph (2), (3), or (4), the maximum reimbursement to a physician for pharmacy goods dispensed by the physician shall not exceed any of the following:

(A) The amount allowed for the pharmacy goods pursuant to the official medical fee schedule adopted by the administrative director or pursuant to paragraph (2), as applicable.

(B) One hundred twenty percent of the documented paid cost to the physician.

(C) One hundred percent of the documented paid cost to the physician plus two hundred fifty dollars (\$250).

The dispute regards the denial of billed pharmaceuticals for date of service 5/9/2013. The Provider billed the following NDCs and quantities for each:

- 11383027104 Bio-Therm 4 oz 120ml
- 60505006501 Omerprazole/Prilosec 60 tablets
- 65162003311 APAP W/Codeine 60 tablets

The Claims Administrator denied the billed pharmaceuticals with the following explanations/reasons:

- Prescription is incomplete or not current
- The charge for the drug has been disallowed as it was not sufficiently identified. Please resubmit with the NDC number and/or quantity

The billed NDCs 60505006501 Omerprazole/Prilosec 60 tablets and 65162003311 APAP W/Codeine 60 tablets are valid and require a prescription. Per Labor Code § 5307.1 (e) (3), “A dangerous drug dispensed by a physician that is a finished drug product approved by the federal Food and Drug Administration; the maximum reimbursement shall be according to the official medical fee schedule adopted by the administrative director.” Given this regulation and the medication dispensed, reimbursement is warranted for the billed NDCs 60505006501 and 65162003311 based on the OMFS Pharmacy calculator.

The last NDC in question, NDC 11383027104, does not appear to be valid. A search of the Red Book Online did not result in a match and the DWC Pharmacy Fee Schedule calculator did not result in a match on the NDC provided; therefore, a fee schedule price was not available. It is noted that a documented paid cost or invoice for billed pharmaceutical was submitted as part of the documentation. However, due to the lack of pricing data and documentation to validate the NDC, additional reimbursement for the billed NDC 11383027104 cannot be recommended.

The chart below provides a comparison of billed 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
60505006501	60 tab	\$278.40	\$213.99	\$0.00	\$213.99	OMFS
65162003311	60 tab	\$26.40	\$20.07	\$0.00	\$20.07	OMFS
11383027104	120ml	\$522.00	\$0.00	\$0.00	\$0.00	OMFS

