

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
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Independent Bill Review Final Determination Reversed

6/27/2014

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

IBR Case Number:	CB13-0000806	Date of Injury:	11/8/2011
Claim Number:	[REDACTED]	Application Received:	12/2/2013
Claims Administrator:	[REDACTED]		
Date(s) of service:	5/28/2013 – 5/28/2013		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	Revenue code 274 (Orthotic device L4360) and additional payment for high cost outlier case		

Dear [REDACTED]

Determination:

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 1/31/2013, 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 \$230.21, for a total of \$565.21.**

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 Outpatient Hospital ASC and DMPOS Fee Schedule

Supporting Analysis:

The dispute regards the denial of payment for a walking boot (L4360) and additional payment for high cost outlier case. The Provider billed a charge of \$954.69 for the revenue code 274 (HCPCS L4360) and is requesting reimbursement of \$196.01. The Provider is requesting an additional \$5,597.86 due to high cost outlier case. The Claims Administrator reimbursed the Provider \$3,975.02 for the billed Outpatient Hospital Surgical Services performed on 5/28/2013 with the following explanations: "The charge exceeds the Official Medical Fee Schedule (OMFS) allowance and has been adjusted to the schedule. Charge for a "separate procedure" that does not meet the criteria for payment. See the OMFS General Instructions for Separate Procedure rule."

- **HCPCS L4360:** Walking boot, pneumatic and/or vacuum, with or without joints, with or without interface material, prefabricated, includes fitting and adjustment.

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, and 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) were referenced during the review of this Independent Bill Review (IBR) case.

A facility seeking to be paid for high cost outlier cases under subdivision 9789.33(b) must file a written election using DWC Form 15 "Election for High Cost Outlier," contained in Section 9789.37 with the Division of Workers' Compensation, Medical Unit. The list of facilities electing to be paid under the high cost outlier methodology is posted on the DWC's website. The Provider (facility) is not listed on the "Election for High Cost Outlier List" for the dates 4/1/2013 – 3/31/2014; therefore, the billed services are not eligible for the additional payment for high cost outlier 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 HCPCS code has an assigned status indicator of "A". The "A" indicator definition is "Not paid under OPPS. Paid by fiscal intermediaries/MACs under a fee schedule or payment system other than OPPS."

Per the OMFS Outpatient Hospital Ambulatory Surgery Center Fee schedule, the maximum allowable fee for durable medical equipment, prosthetics and orthotics shall be determined according to Section 9789.60." The HCPCS L4360 is an Orthotic and is reimbursable when billed by an Outpatient Hospital or Ambulatory Surgery Center (ASC) under the OMFS DMEPOS fee schedule per Title 8, CCR, section 9789.32(c)(6). Items requiring a prescription the allowance shall not exceed OMFS rate of 120% of Medicare's DMEPOS fee schedule or 120% of the documented paid cost (not to exceed 100% of documented paid cost plus \$250.00). The Provider submitted an invoice indicating the documented paid cost of the Pneumatic walking boot (L4360) orthotic was \$196.01. The OMFS allowance for the HCPCS code L4360 is \$338.44. The allowance of 120% of the documented paid

cost is less than the OMFS allowance; therefore, the recommended reimbursement for the billed orthotic (L4360) is 120% of the documented paid cost minus the PPO discount.

Per a review of the explanation of review (EOR), the Claims Administrator reimbursed the Provider for the billed surgical procedure codes 20680, 29898 and pathology service 88300 based on the OMFS Outpatient Hospital Fee Schedule and PPO contract. However, the reimbursement did not include an allowance for the billed orthotic HCPCS L4360; therefore, additional reimbursement is warranted for the HCPCS L4360.

The reimbursement of \$230.51 is warranted for the OMFS Outpatient Hospital Ambulatory Surgery Center code L4360.

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
L4360	1	\$196.01	\$230.21	\$0.00	\$230.21	PPO Contract
Outpatient Hospital services		\$5,597.86	\$3,975.02	\$3,975.02	\$0.00	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 HCPCS code L4360 (\$230.21) for a total of \$565.21.

The Claims Administrator is required to reimburse the provider \$565.21 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,

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