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

7/31/2014

[redacted]

IBR Case Number:	CB13-0000852	Date of Injury:	10/1/2012
Claim Number:	[redacted]	Application Received:	12/11/2013
Claims Administrator:	[redacted]		
Date(s) of service:	8/14/2013 – 8/14/2013		
Provider Name:	[redacted]		
Employee Name:	[redacted]		
Disputed Codes:	E1399 Modifier LL		

Dear [redacted]

Determination:
A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 2/28/2014, 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 $694.82, for a total of $1,029.82.**

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

Supporting Analysis:
The dispute regards the amount paid for Durable Medical Equipment (E1399 Modifier LL). The Provider was reimbursed $889.74 and is requesting additional reimbursement of $1,090.26. The Claims Administrator reimbursed $889.74 for the billed HCPCS code E1399 with the explanation "The fee schedule does not include a value for the procedure code billed and allowance has been made which is based on charges for similar/comparable services. Additional payment recommendation of $296.58 is being made for the total purchase price of $1,285.18 based on comparable HCPCS code E0745 for the billed unlisted code $1399-LL." The final explanation of review dated 12/17/2013 indicated a total of $1,285.18 was reimbursed for the billed HCPCS E1399 Modifier LL with the following breakdown and explanation: The total allowance of the purchase price of $1,285.18 has been previously made based on the comparable HCPCS code E0745 for the unlisted code $1399 LL; therefore, no further additional payment recommendation is being made. Please refer to below listed controls #s for payment recommendation: 41495558 - $98.86; 41505200 - $296.56; 41522243- $593.16; and 941953827- $295.58

- **E1399:** Durable Medical Equipment, miscellaneous
- **Modifier LL:** Lease/rental (use the LL modifier when DME equipment rental is to be applied against the purchase price)

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. 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 Provider included examples of other explanation of reviews, indicating their usual and customary charge and reimbursement of $3,300.00 for the H-Wave unit billed using HCPCS E1399. The original bill submitted with the documentation indicated a billing for six units of the billed HCPCS code E1399 Modifier LL. 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 indicated "EWL H-Wave Home Care system for purchase/indefinite use." The written authorization (Utilization Review) from the Claims Administrator dated 8/29/2013 indicated a certification of "H wave rental, 3-6 months."

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 Claims Administrator did not indicate on the explanation of review (EOR) or authorization a pre-negotiated fee arrangement of $1,285.18 or allowance of E0745. Therefore, the reimbursement of H-Wave unit billed using HCPCS E1399 Modifier LL, should have been based on the Provider's billed amount of $1,980.00.

The additional reimbursement of $694.82 is warranted per the Official Medical Fee Schedule code E1399 Modifier NU.

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	LL	6	$1,090.26	$1,980.00	$1,285.18	$694.82	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 E1399 Modifier LL ($694.82) for a total of $1,029.82.

The Claims Administrator *is required to reimburse the provider $1,029.82 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,

[redacted]

[redacted]

[redacted]