

**MAXIMUS FEDERAL SERVICES, INC.**

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



---

**INDEPENDENT BILLING REVIEW FINAL DETERMINATION**

December 22, 2014

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

<b>IBR Case Number:</b>	CB14-0001139	<b>Date of Injury:</b>	02/10/2014
<b>Claim Number:</b>	[REDACTED]	<b>Application Received:</b>	08/14/2014
<b>Claims Administrator:</b>	[REDACTED]		
<b>Provider Name:</b>	[REDACTED]		
<b>Employee Name:</b>	[REDACTED]		
<b>Disputed Codes:</b>	DRG 946		

Dear [REDACTED]:

MAXIMUS Federal Services has completed the Independent Bill Review (“IBR”) of the above workers’ compensation case. This letter provides you with the IBR Final Determination and explains how the determination was made.

Case Assigned: 10/14/2014

**Final Determination: UPHOLD. MAXIMUS Federal Services has determined that no additional reimbursement is warranted. The Claims Administrator’s determination is upheld and the Claim Administrator does not owe the Provider additional reimbursement. A detailed explanation of the decision is provided later in this letter.**

The determination of MAXIMUS Federal Services and its expert reviewer is deemed to be the Final Determination of the Administrative Director of the Division of Workers’ Compensation. This determination is binding on all parties. In certain limited circumstances, you can appeal the Final Determination. Appeals must be filed with the Workers’ Compensation Appeals Board within 20 days from the date of this letter. For more information on appealing the final determination, please see California Labor Code Section 4603.6(f).

Sincerely,

[REDACTED]

Medical Director

cc: [REDACTED]  
[REDACTED]

## DOCUMENTS REVIEWED

Pertinent documents reviewed to reach the determination:

- The Independent Bill Review Application
- 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

## HOW THE IBR FINAL DETERMINATION WAS MADE

MAXIMUS Federal Services Chief Coding Specialist reviewed the case file and researched pertinent coding and billing standards to reach a determination. In some cases a physician reviewer was employed to review the clinical aspects of the care to help make a determination. He/she has no affiliation with the employer, employee, providers or the claims administrator. The expert reviewer was selected based on his/her clinical experience, education, background, and expertise in the same or similar specialties that evaluate and/or treat the medical condition and disputed items/services

## ANALYSIS AND FINDING

Based on review of the case file the following is noted:

- **ISSUE IN DISPUTE:** Provider seeking remunerating for DRG Rehabilitation Services provided to Injured Worker from 02/14/2014 through 04/01/2014; 47 days.
- EOR 7/11/2014 reflects Claims Administrator Reimbursed Provider \$98,152.84 of \$226,173.84 billed charges stating, "Bill has been repriced according to your PPO contract with (Claims Administrator).
- Provider states, "No Official Fee Schedule" and negotiated PPO contracted rate of "\$2,872.00 per day" should be utilized to calculate fee.
- Documentation reflects Injured Worker Admitted to Hospital post ER visit 02/10/2014. In-house transfer to SNF in-patient rehabilitation services 02/14/2014.
- **Title 8, Article 5.3, §9789.21. Definitions for Inpatient Hospital Fee Schedule** (m) "Hospital" means any facility as defined in Section 1250 of the Health and Safety Code
- **California Codes Health And Safety Code Section 1250.**"health facility means any facility, place, or building that is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and **rehabilitation** and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which the persons are admitted for a 24hour stay or longer."
- **Title 8, Article 5.3, §9789.22. Payment of Inpatient Hospital Services.** (a) Maximum payment for inpatient medical services shall be determined by multiplying 1.20 by the product of the health facility's composite factor and the applicable DRG weight. The fee

determined under this subdivision shall be a global fee, constituting the maximum reimbursement to a health facility for inpatient medical services not exempted under this section. However, preadmission services rendered by a health facility more than 24 hours before admission are separately reimbursable.

- **Title 8, Article 5.3, 9879.22(k)** The following are exempt from the maximum reimbursement formula set forth in subdivision (a) and are paid on a reasonable cost basis.
  - Children's hospitals that are engaged in furnishing services to inpatients who are predominantly individuals under the age of 18.
  - Cancer hospitals as defined by Title 42, Code of Federal Regulations, Section 412.23(f), effective date October 1, 2002 and as revised as of October 1, 2003, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.
  - Veterans Administration hospitals.
  - Long term care hospitals as defined by Title 42, Code of Federal Regulations, Section 412.23(e), effective date October 1, 2002 and as revised as of October 1, 2003, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.
  - **Rehabilitation** hospital or distinct part rehabilitation units of an acute care hospital or a psychiatric hospital or distinct part psychiatric unit of an acute care hospital.
  - Critical access hospitals
  
- **Title 8, Article 5.3, §9789.22 (j)** Transfers (2) Post-acute care transfers exempt from the maximum reimbursement set forth in Section 9789.22 (B) When an acute care patient is discharged to a post-acute care provider and the patient's discharge is assigned to one of the qualifying special pay **DRGs as specified in the Federal Register**, the payment to the transferring hospital is 50% of the amount paid under Section 9789.22(a), **plus** 50% of the per diem, set forth in Section 9789.22(j)(1) for each day, up to the full DRG amount. See Section 9789.25(b) for the Federal Register reference that contains the qualifying DRGs for a given discharge.
  - (j) The following are exempt from the maximum reimbursement formula set forth in subdivision (a) and are paid on a reasonable cost basis.
  - (1) Critical access hospitals;
  - (2) Children's hospitals that are engaged in furnishing services to inpatients who are predominantly individuals under the age of 18.
  - (3) Cancer hospitals as defined by Title 42, Code of Federal Regulations, Section 412.23(f), effective date October 1, 2002 and as revised as of October 1, 2003, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.
  - (4) Veterans Administration hospitals.
  - (5) Long term care hospitals as defined by Title 42, Code of Federal Regulations, Section 412.23(e), effective date October 1, 2002 and as revised as of October 1, 2003, which document is hereby incorporated by reference and will be made available upon request to the Administrative Director.

- (6) **Rehabilitation hospital** or distinct part rehabilitation units of an acute care hospital or a psychiatric hospital or distinct part psychiatric unit of an acute care hospital.
- Complete Contractual Agreement not provided for IBR. **\$2,872.00** per day rate, as specified earlier, will be utilized to calculate reimbursement.
- WC Allowable:
  - A. DRG 946 Wt. 3.9460 x Hosp. Comp. Factor 9709.61 x WC Multiplier 1.20 = \$14,024.95
  - B. Per Diem Rate **\$2,872.00** x 47 days = total\*50% = \$67,492.00
  - C. Total Allowable A + B = \$81,516.95

The table below describes the pertinent claim line information.

**DETERMINATION OF ISSUE IN DISPUTE: Reimbursement for L8680 not warranted.**

<b>Date of Service:</b> 02/14/2014 through 04/01/2014; 47 days.						
Inpatient Rehabilitation Services						
<b>Service Code</b>	<b>Provider Billed</b>	<b>Plan Allowed</b>	<b>Dispute Amount</b>	<b>Multiple Surgery</b>	<b>Workers' Comp Allowed Amt.</b>	<b>Notes</b>
DRG 946	\$226,173.84	\$98,152.54	\$ 128,021.30	N/A	\$98,152.54	<b>Refer to Analysis</b>

Copy to:

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

Copy to:

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