

MAXIMUS FEDERAL SERVICES, INC.

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



INDEPENDENT BILLING REVIEW FINAL DETERMINATION

May 21, 2015

[Redacted]
[Redacted]
[Redacted]

IW1 = Injured Worker 1

IW2 = Injured Worker 2

IBR Case Number:	CB15-0000106	Date of Injury:	IW1: 01/23/1984 IW2: 05/03/2000
Claim Number:	[Redacted] [Redacted]	Application Received:	01/21/2015
Assignment Date:	03/27/2015		
Claims Administrator:	[Redacted]		
Date(s) of service:	IW1: 08/25/2014 IW2: 10/10/2014		
Provider Name:	[Redacted]		
Employee Name:	[Redacted]		
Disputed Codes:	J3490 (NDC 38779-0524-04 & 38779-0673-04 & 38779-0731-04)		

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.

Final Determination: OVERTURN. MAXIMUS Federal Services has determined that additional reimbursement is warranted. The Claims Administrator’s determination is reversed and the Claim Administrator owes the Provider additional reimbursement of \$195.00 for the review cost and \$127.58 in additional reimbursement for a total of \$322.58. A detailed explanation of the decision is provided later in this letter.

The Claim Administrator is required to reimburse the Provider a total of \$322.58 within 45 days of the date on this letter per section 4603.2 (2a) of the California Labor Code. 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,

Paul Manchester, M.D., M.P.H.

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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
- Red Book

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 remuneration for Unclassified Drug Injection, J4390 representing NDC 38779-0524-04 & 38779-0673-04 & 38779-0731-04 Multiple Injured Workers, Dates of Service 08/25/2014 & 10/10/2014.**
- Claims Administrator denied reimbursement based on the following rationale: “The billed service has no allowance in the fee schedule.”
- Red Book indicates **NDC 38779-0524-04 Bupivacaine Hydrochloride Powder.**
- Red Book indicates **NDC 38779-0673-04 Morphine Sulfate Powder.**
- Red Book indicates **NDC 38779-0673-04 Morphine Sulfate Powder.**
- Code **J3490** does adequately represent documented medication as the reported NDC numbers reflect the pharmaceuticals in powder form compounded and reconstituted with normal saline. As such, The NDCs and Metric Decimal Units (MDU) for **the grams of powder utilized** are considered for determination.
- **IW1:** Pharmacological documentation indicates the following:
 - Hydromorphone 1200mg
- **IW2:** Pharmacological documentation indicates the powders were mixed with normal saline with a volume of 20 mls in a single 30 ml syringe. The powder ingredients are as follows:
 - Morphine 45mg/ml = 800 mg
 - Bupivacaine 30mg/ml = 60 mg.
- **Labor Code 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 **ingredient level** of **powder** utilized in the 30 ml syringe is as follows:
 - Morphine 45mg/ml = 800 mg equates to 0.8000000g of **powder**
 - Bupivacaine 30mg/ml = 60 mg equates to 0.06000000g of **powder**
 - Hydromorphone 1200mg = 1.200000g of **powder**
- Invoice presented to IBR reflects \$73.18 for NDC 38779-0524-04 & 38779-0673-04.
- Invoice presented to IBR reflects \$149.20 for NDC 38779-0731-04
- Based on the documentation and guidelines, additional reimbursement is indicated for NDC 38779-0524-04 & 38779-0673-04 & 38779-0731-04 **Pursuant to Labor Code § 5307.1 (3) (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. Dispensing fee is \$7.25.

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: J3490 NDC 38779-0524-04 & 38779-0673-04 & 38779-0731-04

Date of Service: 08/25/2014 & 10/10/2014						
Pharmacy						
Service Code	Provider Billed	Plan Allowed	Dispute Amount	Units	Workers' Comp Allowed Amt.	Notes
J3490 NDC 38779- 0731-04	\$507.60	\$147.78	\$279.54	1	\$183.29	IW1 OMFS 120% + Injection Fee \$4.25 – Reimbursed Amount = \$35.51 Due Provider
J3490 NDC 38779- 0524-04 & NDC 38779- 0673-04	\$279.54	\$0.00	\$279.54	1	\$92.07	IW2 OMFS 120% + Injection Fee \$4.25

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