

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
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INDEPENDENT BILLING REVIEW FINAL DETERMINATION

July 22, 2015

[Redacted]
[Redacted]
[Redacted]

IBR Case Number:	CB15-0000907	Date of Injury:	09/08/2001
Claim Number:	[Redacted]	Application Received:	06/04/2015
Claims Administrator:	[Redacted]		
Date(s) of service:	06/05/2014		
Provider Name:	[Redacted]		
Employee Name:	[Redacted]		
Disputed Codes:	Rev Code 0278		

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 \$29,853.51 in additional reimbursement for a total of \$30,048.51. A detailed explanation of the decision is provided later in this letter.

The Claim Administrator is required to reimburse the Provider a total of \$30,048.51 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, MD, MPH
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
- Negotiated contracted rates: Partial Contract Agreement
- National Correct Coding Initiatives
- Other: §9789.22. Payment of Inpatient Hospital Services

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 is dissatisfied with denial of Rev Code 0278 for implantable neurostimulator.
- Claims Administrator denied Rev code 0278 indicating on the Explanation of Review “Payment for charge is not recommended without an invoice or documentation of cost”
- Invoice dated 6/6/2014, with injured worker’s name as patient, was received showing total cost billed to Provider as \$27,139.55.
- Provider states “Bill review failed to apply the contractual rate for reimbursement of implants at 45% discount of billed charges and instead applied the Official Medical Fee Schedule”.
- A partial copy of the contract was received for this review.
- Contract states “The parties to the above-entitled contract hereby amend Appendix A of the Hospital Contract, the Contract Rates*, to be effective April 1, 2005”... “8. Prosthetics/Implants/Pacemakers rate. (c) 45% discount from billed charges (c) Discount applies only to devices exceeding \$1,000 per device. Presence of Prosthetics/Implants/Pacemakers (Revenue Code(s) “274”, “275”, “276” and “278”) required on the UB-92, or its successor billing form”
- A second Amendment to the Contract was also submitted stating “The parties to the above-entitled contract hereby amend Appendix A of the Hospital Contract, the Contract Rates*, to be effective June 1, 2006”...”Appendix A is amended by deleting and

replacing the “Notwithstanding...” paragraph with the following: “*Notwithstanding the Contract rates contained herein, the amount payable under the terms of this Contract for Group Health Shall be the lesser of the Contract rate or a 20% discount from billed charges. For services rendered to occupationally ill/injured employees, the amount payable shall be the lesser of the Contract rate, billed charges, or the amount payable under guidelines established under any state law or regulation pertaining to health care services rendered for occupationally ill/injured employees”

- §9789.22. Payment of Inpatient Hospital Services. (3) For discharges before January 1, 2013, for purposes of determining whether a case qualifies as a cost outlier case under this subdivision, charges for implantable spinal device and/or instrumentation reimbursed under subsection (g)(1) is excluded from the calculation of costs. If an admission for a complex spinal surgery DRG qualifies as a cost outlier case, any implantable spinal device and/or instrumentation shall be separately reimbursed under subsection (g)(1).
- (g) Additional allowance for spinal devices used in complex spinal surgery:
- (1) For discharges occurring before January 1, 2013, costs for spinal devices used during complex spinal surgery DRGs shall be separately reimbursed at the hospital's documented paid cost, plus an additional 10% of the hospital's documented paid cost, net of discounts and rebates, not to exceed a maximum of \$250.00, plus any sales tax and/or shipping and handling charges actually paid.
- As only partial contract agreement was received, reimbursement is warranted under the lesser of Workers’ Comp LC §9789.22. Payment of Inpatient Hospital Services, hospitals documented paid cost, plus an additional 10%.

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: Reimbursement of code 0278

Date of Service: 06/05/2014					
Inpatient Services					
Service Code	Provider Billed	Plan Allowed	Dispute Amount	Workers’ Comp Allowed Amt.	Notes
Rev 0278	\$278,564.00	\$0.00	\$158,160.20	\$29,853.51	DISPUTED SERVICE: Allow reimbursement \$29,853.51

Copy to:

[REDACTED]

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