

**MAXIMUS FEDERAL SERVICES, INC.**

Independent Bill Review  
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**INDEPENDENT BILLING REVIEW FINAL DETERMINATION**

July 17, 2015

[REDACTED]  
[REDACTED]  
[REDACTED]

IBR Case Number:	CB15-0000937	Date of Injury:	12/03/2001
Claim Number:	[REDACTED]	Application Received:	06/08/2015
Assignment Date:	July 7, 2015		
Claims Administrator:	[REDACTED]		
Date(s) of service:	04/08/2014 – 04/08/2014		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	J1170-KD (NDC 38779073105) and J3490-KD (38779196806)		

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 \$897.14 in additional reimbursement for a total of \$1,092.14. A detailed explanation of the decision is provided later in this letter.**

The Claim Administrator is required to reimburse the Provider a total of **\$1,092.14** 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.

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 a remuneration for J1170-KD (NDC 38779073105) & J3490-KD (38779196806) for date of service 04/08/2014.**
- Initial and Subsequent EOR indicates the Claims Administrator Reimbursement Rational as follows: “Charge has been adjusted to the scheduled allowance.” However, \$.00 reflects reimbursement rate.
- EOR does not reflect denial of medication. The EOR refers to LC 5307.1 as means for reimbursement. Since the EOR’s reflect “\$.00,” the OMFS will be utilized to calculate correct reimbursement rate.
- Red Book indicates **NDC 38779-1968-06 Sufentanil Powder per gram.**
- Red Book indicates **NDC38779073105, Hydromorphone HCL (Dilaudid) Powder per gram.**
- Codes J3490, & J1170 do not adequately represent the documented medication as the reported NDC numbers reflect the **pharmaceuticals in powder** form and documentation reflects the medication is compounded in nature. As such, The NDCs and Metric Decimal Units (MDU) for **the grams of powder utilized** are considered for determination.
- **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.
- Invoice for cost of medication not submitted for IBR.
- As reflected on medication label on the “**Intrathecal Pump Maintenance and Administration Record**,” for Date of Service 04/08/2014 reflects Pharmacy Compound for Rx # 27735 as follows:
  - **NDC 38779-1968-06 (Sufentanil) 400 mcg/ml**
  - **NDC38779-0731-05, (Hydromorphone HCL “Dilaudid”) 15 mg/ml**
- Documentation indicates a **Volume 22 mls**
- Documentation reflects a “**compounded medication**” for injection into pain pump, injection fee applies.
- **Ingredient level (in grams)** of medication utilized in the compound medication:
- **NDC 38779-1968-06 (Sufentanil) 400 mcg/ml = 0.0004 g of powder = 0.0088 total grams of product.**
- **NDC38779073105, (Hydromorphone HCL “Dilaudid”) 15mg/ml = 0.01500000g of powder = 0.33 total grams of product.**
- Pursuant to **Labor Code 5307.1. (e) (2)** The ingredient level of **powder** was entered into the DWC Medication Calculator.

