

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
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INDEPENDENT BILLING REVIEW FINAL DETERMINATION

April 8, 2016

[REDACTED]
[REDACTED]
[REDACTED]

IBR Case Number:	CB16-0000406	Date of Injury:	12/03/2001
Claim Number:	[REDACTED]	Application Received:	03/10/2016
Claims Administrator:	[REDACTED]		
Date(s) of service:	04/14/2015 – 04/14/2015		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	J3490-KD (NDC 38779196806), J3490-KD (NDC 3877973105), and J0735-KD (NDC 38779056104)		

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 \$9,738.74 in additional reimbursement for a total of \$9,933.74. A detailed explanation of the decision is provided later in this letter.

The Claim Administrator is required to reimburse the Provider a total of **\$9,933.74** 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

[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 additional remuneration J3490-KD (NDC 38779196806), J1170 (NDC 38779073105), J0735 (NDC 38779056104) for date of service 04/14/2015.**
- Initial and Subsequent **2015** EORs reflect the Claims Administrator's \$0.00 Reimbursement Rational as follows: "Charge exceeds the Official Medical Fee Schedule Allowance."
- Authorization signed by Claims Administrator on 02/17/2016, Certification # 112511101, reflects "Retro Review" of "Pump maintenance 04/14/2015, as "**Medically Necessary.**" (Emphasis added)
- Documentation reflects a "**compounded medication.**"
- Red Book indicates the following:
 - **NDC 38779-1968-06** Sufentanil **Powder in grams.**
 - **NDC 38779-0731-05** Hydromorphone HCL (Dilaudid) **Powder in grams.**
 - **NDC 38779-0561-04** Clonidine HCL **Powder in grams.**
- Codes J3490, J1170 & J0735 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 04/14/2015 reflects Pharmacy Compound for Rx # 819593 as follows:
 - **NDC 38779-1968-06** (Sufentanil) **4400 mcg/ml**
 - **NDC 38779-0731-05** (Hydromorphone HCL "Dilaudid") **4.4 mg/ml**
 - **NDC 38779-0561-04** (Clonidine HCL) **1000 mcg/ml**
- Documentation indicates a **Volume 22 mls**
- **Total Ingredient level (in grams)** of medication utilized in the compound medication:
 - NDC 38779-1968-06 (Sufentanil) 4400 mcg/ml = **0.0968 grams of powder**
 - NDC 38779 -0731-05 (Hydromorphone HCL "Dilaudid") 4.4mg /ml = **0.0968 grams of powder**
 - NDC 38779-0561-04 (Clonidine HCL) 1000 mcg/ml = **0.022 grams of powder**

