

**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:	CB16-0000413	Date of Injury:	09/07/1993
Claim Number:	[REDACTED]	Application Received:	03/11/2016
Assignment Date:	March 30, 2016		
Claims Administrator:	[REDACTED]		
Date(s) of service:	12/01/2015 – 12/01/2015		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	J3010-KD (NDC 38779175604) and J2278-KD (NDC 18860072210)		

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 \$1,230.66 in additional reimbursement for a total of \$1,425.66. A detailed explanation of the decision is provided later in this letter.**

The Claim Administrator is required to reimburse the Provider a total of **\$1,425.66** 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
- Contractual Agreement: 85% OMFS
- 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 \$1,429.64 in remuneration for J3010-KD (NDC 38779175604) and J2278-KD (NDC 18860072010) for date of service 12/01/2015.**
- The Claims Administrator's Reimbursement Rational indicates "invoice" required for compounded medication.
- **§ 9789.13.2. Physician-Administered Drugs, Biologicals, Vaccines, Blood Products.**
  - (a) Physician-administered drugs, biologicals, vaccines, or blood products are separately payable.
    - (1) Vaccines shall be reported using the NDC and CPT-codes for the vaccine. Other physician-administered drugs, biological and blood products shall be reported using the NDC and J-codes assigned to the product.
    - (2) The maximum reimbursement shall be determined using the "Basic Rate" for the HCPCS code contained on the Medi-Cal Rates file for the date of service. The Medi-Cal fee schedule reimburses drug products, vaccines and immunizations at the Medicare rate of reimbursement when established and published by the Centers for Medicare & Medicaid Services (CMS) or the Medi-Cal pharmacy rate of reimbursement when the Medicare rate is not available. The Medicare rate is currently defined as average sales price (ASP) plus 6 percent. The pharmacy rate is currently defined as the lower of (1) the average wholesale price (AWP) minus 17 percent; (2) the federal upper limit (FUL); or (3) the maximum allowable ingredient cost (MAIC).
    - (3) The "Basic Rate" price listed on the Medi-Cal rates page of the Medi-Cal website for each physician-administered drug includes an injection administration fee of \$4.46. This injection administration fee should be subtracted from the published rate because payment for the injection administration fee will be determined under the RBRVS. See section 9789.19 for a link to the Department of Health Care Services' Medi-Cal rates file.
    - (4) For a physician-administered drug, biological, vaccine or blood product not contained in the Medi-Cal Rates file referenced in subdivision (a)(2), the maximum reimbursement is the amount prescribed in the Medi-Cal Pharmacy Fee Schedule as adopted by the Division of Workers' Compensation in section 9789.40 and posted on the Division website as the Pharmaceutical Fee Schedule.
  - (b) The RBRVS fee schedule shall be used to determine the maximum reimbursement for the drug administration fee.
    - (1) Injection services (codes 96365 through 96379) are not paid for separately, if the physician is paid for any other physician fee schedule service furnished at the same time. Pay separately for those injection services only if no other physician fee schedule service is being paid.
  - (d) **All claims for a physician-administered drug, biological, vaccine, or blood product must include the specific name of the drug and dosage.**
  - (e) "Administer" means the direct application of a drug or device to the body of a patient by injection, inhalation, ingestion, or other means.
- **Unless indicated by a Contractual Agreement, invoices are not required** when a HCPCS and NDC code is submitted; the Provider fulfilled the OMFS billing requirements for the documented compounded medication.

- **Opportunity to Dispute Eligibility communicated to the Claims Administrator on 03/14/2016; response not yet received.**
- Contractual Agreement does not indicate invoice requirement billed medications, Network is 85% OMFS.
- Authorization dated 09/01/2015 indicates the following:
  - Pump Refill and Maintenance x 6 (07/01/2015 Through 12/31/215)
- **Reported HCPCS codes do not adequately represent One Compounded mixture** of the medication reported; NDC codes will be utilized.
- **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.
- Redbook Indicates the Following NDC descriptions:
  - NDC 1886-0072-01 Prialt 100mcg/1ml Solution
  - NDC 38779-1756-04 Fentanyl Citrate, **Powder (grams)**
- Medication reflected on the “**Intrathecal Pump Maintenance and Administration Record**,” for Date of Service 12/01/2015, RX# 342581 is as follows:
  - Prialt 100mcg, Vial x 2
  - Fentanyl Citrate Powder 0.5**mg**/1ml Volume x 20
- Documentation indicates medication compounded into one (1) 22 gaged non-coring needle for injection into GSC Pump.
- The **ingredient level for each drug** was entered into the DWC Calculator; No other procedure reported – one (1) injection fee is indicated.
  - NDC 1886-0072-01 Prialt = 2 mls
  - NDC 38779-1756-04 Fentanyl Citrate = 0.5 mg = 0.0005000000**g (grams)** x 20 (Volume) = 0.01 **grams** of product.
- **Based on the aforementioned documentation and guidelines, additional reimbursement is indicated for J3010-KD (NDC 38779175604) and J2278-KD (NDC 18860072010).**

The table below describes the pertinent claim line information.

