

**MAXIMUS FEDERAL SERVICES, INC.**

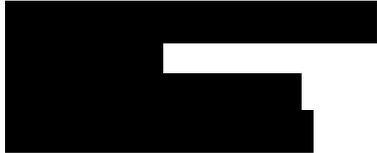
Independent Bill Review  
P.O. Box 138006  
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Fax: (916) 605-4280



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**INDEPENDENT BILLING REVIEW FINAL DETERMINATION**

May 2, 2016



IBR Case Number:	CB16-0000548	Date of Injury:	05/29/2005
Claim Number:	[REDACTED]	Application Received:	04/05/2016
Claims Administrator:	[REDACTED]		
Assigned Date:	4/22/2016		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	DRG 470		



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: UPHOLD. MAXIMUS Federal Services has determined that no additional reimbursement is warranted. The Claims Administrator’s determination is upheld and the Claim Administrator does not owe the Provider additional reimbursement. A detailed explanation of the decision is provided later in this letter.**

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]

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Division of Workers' Compensation (DWC) Medical Unit

## **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
- PPO Contract
- National Correct Coding Initiatives
- Other: OMFS Inpatient Hospital Fee Schedule

### **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 requesting additional reimbursement for inpatient services billed under DRG 470.
- IBR request is for an additional 2,964.74, based on Outlier Calculation.
- Provider submitted Outlier Calculation indicating an expected reimbursement of \$31,329.01. Provider indicates total billed charges without implant charges are \$160,596.88 (Page 20 submitted IBR packet).
- Based on the documentation provided the total allowance and calculation for the outlier case is listed below:
  - Inpatient Hospital Fee Schedule maximum payment amount (DRG weight x 1.2 x hospital specific composite factor) \$20,457.02.
  - Cost determine according to section 9789.21(f).  $\$160,596.88 \times .392 = 62,953.98$
  - Determine outlier threshold. Outlier threshold = (Inpatient Hospital Fee Schedule payment amount + hospital specific outlier factor + any new technology pass-through payment determined under Section 9789.22(h) + any additional allowance for spinal devices under Section 9789.22(g)(2)).  $20,457.02 + 29,529.82 = \$49,986.84$
  - The additional allowance for the outlier case equals  $0.8 \times (\text{costs} - \text{cost outlier threshold})$ .  $(\$62,953.98 (\text{Cost}) - \$49,986.84 (\text{Outlier})) \times .80 = 10,373.71$
  - Total allowance \$30,830.73
- PPO Contract submitted states Workers' Compensation services are reimbursed the lesser of 75% Eligible Billed Charges or 90% of the amount payable under guidelines established under any state law or regulation pertaining to healthcare services rendered for occupationally ill/injured workers.  $\$30,830.73 \times 90\% = 27,747.66$
- Based on the above calculation and PPO guidelines, no additional reimbursement is recommended.

The table below describes the pertinent claim line information.

**DETERMINATION OF ISSUE IN DISPUTE:** Additional reimbursement not recommended.

Date of Service 11/4/2015-11/9/2015							
Inpatient Hospital Services							
Service Code	Provider Billed	Plan Allowed	Dispute Amount		Multiple Surgery	Workers' Comp Allowed Amt.	Notes
DRG 470	\$160,596.88	28,364.27	\$2,964.74	N/A	N/A	\$27,747.66	<b>DISPUTED SERVICE:</b> See Analysis.

[REDACTED]

[REDACTED]