MAXIMUS FEDERAL SERVICES, INC.
Independent Bill Review
P.O. Box 138006
Sacramento, CA 95813-8006
Fax: (916) 605-4280

INDEPENDENT BILLING REVIEW FINAL DETERMINATION

May 3, 2016

[redacted]

IBR Case Number:	CB16-0000561	Date of Injury:	04/15/20015
Claim Number:	[redacted]	Application Received:	04/08/2016
Claims Administrator:	[redacted]		
Date(s) of service:	11/30/2015 – 12/07/2015		
Provider Name:	[redacted]		
Employee Name:	[redacted]		
Disputed Codes:	DRG 460		

[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 $700.58 in additional reimbursement for a total of $895.58. A detailed explanation of the decision is provided later in this letter.

The Claim Administrator is required to reimburse the Provider a total of **$895.58** 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]

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
- OMFS

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 remuneration for Orthotics L0635 LSO Sagit. Rigid Panel Pre-Fab and L2830 Soft Interface dispensed to Injured Worker during In-Patient DRG 460 stay 11/30/2015 – 12/07/2015.**
- The Claims Administrator reimbursed the Provider for DRG 460 with the following rational:
    - "This charge was adjusted to comply with the rate and rules of the contract indicated."
- Reimbursement Calculations indicate the Provider was reimbursed the full DRG OMFS allowable. However, **dispensed** orthotics are not included in the overall calculations for DRG 460 and are separately reimbursable pursuant to **§ 9789.60.**
- **Inpatient Hospital Administrative Rules § 9789.22**. Payment of Inpatient Hospital Services (7) The cost of durable medical equipment provided for use at home is exempt from this Inpatient Hospital Fee Schedule. The cost of durable medical equipment shall be paid pursuant to Section **9789.60**
- **Administrative Rules § 9789.60. Durable Medical Equipment, Prosthetics, Orthotics, Supplies.** (a) For services, equipment, or goods provided after January 1, 2004, the maximum reasonable reimbursement for durable medical equipment, supplies and materials, orthotics, prosthetics, and miscellaneous supplies and services shall not exceed one hundred twenty (120) percent of the rate set forth in the CMS' Durable Medical Equipment, Prosthetics/Orthotics, and Supplies (DMEPOS) Fee Schedule, as established by Section 1834 of the Social Security Act (42 U.S.C. § 1395m) and applicable to California.
- Submitted documentation supports fitting, dispensing, and counseling of orthotics.
- Submitted invoice #81371L reflects Total Charges of "1254.33," with a "Balance Due" of "689.88." The "$564.45" deficit reflects a "credit." Unknown if the credit represents the

Provider's discounted and actual cost for the items; documentation does not indicate a deposit or pre-payment was provided to vendor.

- **General Information and Instructions CCR 9789.11(a)(1)(2)** Dispensed durable medical equipment: cost (purchase price plus sales tax plus shipping and handling) plus 50% of cost **up to a maximum of cost plus $25.00** not to exceed the provider's usual and customary charge for the item.
- Opportunity to Dispute communicated to Claims Administrator on 04/12/2016; response not yet received.
- Partial Contractual Agreement submitted for IBR shows a 98% reimbursement rate for Workers Compensation services.
- **Based on the aforementioned documentation and guidelines, reimbursement is indicated for L0635 and L2830 dispensed during In-Patient stay DRG 460.**

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: DRG 460 (REV 274)

Date of Service: 11/30/2015 – 12/07/2015
DME

Service Code	Provider Billed	Plan Allowed	Dispute Amount	Units	Workers' Comp Allowed Amt.	Notes
L0635 & L2830	$4,912.17	$0.00	$1,254.33	1	$700.58	**Refer to Analysis**

[redacted]

[redacted]

[redacted]