

**MAXIMUS FEDERAL SERVICES, INC.**

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

May 6, 2016

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

IBR Case Number:	CB16-0000757	Date of Injury:	08/19/1994
Claim Number:	[REDACTED]	Application Received:	05/06/2016
Claims Administrator:	[REDACTED]		
Date(s) of service:	12/11/2015		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	J0735-KD (NDC 38779056104), J0475KD (NDC 38779038805), J2278-KD (NDC 18860072210) and J1170-KD (NDC 38779073105)		

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 \$384.87 in additional reimbursement for a total of \$582.84. A detailed explanation of the decision is provided later in this letter.**

The Claim Administrator is required to reimburse the Provider a total of **\$582.84** 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,

Maximus IBR

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
- Contractual Agreement
- 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 remuneration for J2278 NDC 18860072210, Prialt, J0475 NDC 38779038805, Baclofen Powder, J1170 NDC 38779073105, Hydromorphone HCL Powder and J0735 NDC 38779056104, clonidine hydrochloride utilized for pain pump refill on 12/11/2015.**
- Claims Administrator denied service indicating “This charge was adjusted to comply with the rate and rules of the contract indicated.”
- Opportunity to Dispute Eligibility Communicated with Provider on 05/09/2016; response not yet received.
- Authorization July 1, 2015, signed by the Claims Administrator and “Certification given for 6 pump refills with supplies and 8 pump reprogramming’s from July 1, 2015 to Dec 31, 2015”
- As reflected on medication label located in the “Intrathecal Pump Maintenance and Administration Record,” A **pharmacy (not the Provider) compounded medication and dispensed medication, Rx # 345944, to be administered (injected) by the Provider** into implantable pump. Rx reflects the following compound:
  - **Hydromorphone HCL 12.5mg/ml**
  - **Baclofen 430mcg/ml**

- **Clonidine HCL 1325 mcg/ml**
- **Prialt 100mcg/1ml**
- **Red Book indicates the following:**
  - Bulk Package **NDC 38779-0561-04** Clonidine HCL **Powder (grams)**
  - Bulk Package **NDC 38779-0388-05** Baclofen **Powder (grams)**
  - 
  - Bulk Package **NDC 38779-0731-05** Hydromorphone HCL (Dilaudid) **Powder (grams)**
- ‘J’ codes do not adequately represent 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. Utilizing “per unit” for presented J codes would result in a higher dose of the actual medication represented in the documentation.
- **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.
- Intrathecal Pump Maintenance and Administration Record, for Date of Service indicates pharmacy dispensed medication to Provider in compound form Rx # **345944** as follows:
  - **NDC 38779-0731-05 Hydromorphone HCL (Dilaudid) 12.5mg/ml**
  - **NDC 38779-0388-05 Baclofen 430mcg/ml**
  - **NDC 38779-0561-04 Clonidine HCL 1325mcg/ml**
- **Ingredient Level in Grams of Powder** utilized and then compounded into one concentration by Pharmacy for a volume of 20 mls:
  - **NDC 38779-0731-05 Hydromorphone HCL (Dilaudid) 0.25 grams of product**
  - **NDC 38779-0388-05 Baclofen .0086 grams of product**
  - **NDC 38779-0561-04 Clonidine HCL 0.0265 grams of product**
- **Section 9789.40. Pharmacy(a)** The maximum reasonable fee for pharmaceuticals and pharmacy services rendered after January 1, 2004 is 100% of the fee reimbursement prescribed in the relevant Medi-Cal payment system...”
- **Medi-Cal & HCPCS Code Description:**
  - **J2278** (Prialt, NDC 18860-0720-10) Injection per 1 mcg
    - Red Book indicates NDC 18860-0720-10 Prialt 100 mcg **Vial** (single dose/single use)
      - Documentation reflects 100 mcg/ml x 1 vial
        - 100 mcg total product utilized

- 1 mcg/24 hrs
  - Pump volume not relevant as single dose vial utilized
    - Medi-Cal J2278, 1 mcg
      - J2278 adequately describes units administered
- J2278 = x 100 units
- Documentation indicates the Provider **administered** above compound into intrathecal pain pump, as such, one injection fee applies to all HCPCS codes.
- **Based on the aforementioned documentation and guidelines, reimbursed is warranted for J1170-KD (NDC 38779073105), J0475-KD (NDC 38779038805), J0735-KD (NDC 38779056104) and J2278-KD (NDC 18860072210)**

The table below describes the pertinent claim line information.

**DETERMINATION OF ISSUE IN DISPUTE: J1170-KD (NDC 38779073105) and J0735-KD (NDC 38779056104), J0475-KD (NDC 38779038805) and J2278-KD (NDC 18860072210)**

Date of Service: 12/11/2015						
Pharmacy						
Service Code	Provider Billed	Plan Allowed	Dispute Amount	Units	Workers' Comp Allowed Amt.	Notes
J1170-KD (NDC 38779073105), J0475 (NDC 38779038805), J0735-KD (NDC 38779056104) and J2278-KD (NDC 18860072210)	\$25,910.00	\$460.27	\$1101.16	1	\$848.11	<b>Compound Medication \$387.84 Due to provider</b>

Copy to:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]