

**INDEPENDENT BILLING REVIEW FINAL DETERMINATION**

June 13, 2016

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

IBR Case Number:	CB16-0000794	Date of Injury:	01/17/2006
Claim Number:	[REDACTED]	Application Received:	05/12/2016
Assignment Date:	06/10/2016		
Claims Administrator:	[REDACTED]		
Date(s) of service:	01/19/2016 – 01/19/2016		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	<b>J2274 NDC 6299-11403-07</b>		

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 \$19.22 in additional reimbursement for a total of \$214.22. A detailed explanation of the decision is provided later in this letter.**

The Claim Administrator is required to reimburse the Provider a total of **\$214.22** 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

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: 90% OMFS
- 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 J2274 NDC 62991-1403-07 for date of service 01/19/2016.**
- Communication from the Claims Administrator, dated 05/27/2016, indicated invoice is required for “dispensed” medication in compounded form. The Claims Administrator indicates additional 62370 and 99215 procedures were performed on the same day and “submitted separately”; these services are not reflected on the CMS 1500 but will be considered in this determination.
- Documentation reflects medication **Dispensed by Pharmacy and Administered by the Provider.**
- Red Book indicates Bulk Package **NDC 62991-1403-07** Morphine Sulfate supplied in **powder form.**
- Code J2275 does 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 in compound form **Rx #315927** to be **administered** into implantable pump **by the Provider:**
  - **NDC 62991-1403-07 Morphine Sulfate 20 mg/ml**
- Grams of powder utilized and then compounded into one concentration by Pharmacy for a volume of **22 mls:**
  - **NDC 62991-1403-07 Morphine Sulfate = 0.44 grams powder product**
- Documentation indicates the Provider **administered** above compound into intrathecal pain pump.
- NDC code entered into the DWC Compound Prescription Price Calculator. Mg reflected on Pain Pump documentation converted to grams as the ingredient is powder and is calculated per gram of powder:  $20 \text{ mg} = 0.02 \text{ g} \times 22 \text{ Volume} = 0.44 \text{ grams of powder (product)}$  utilized for mixture injected into Injured Worker's Intrathecal Pain Pump, on 01/19/2016.
- Contractual Agreement received shows a 90% reimbursement of the current applicable federal or state mandated fee schedule.
- Claims Administrator indicates procedures were performed on the same day, as such, the injection charge is included in the value of these services and is not reimbursable.
- **Based on the aforementioned documentation and guidelines, reimbursement is warranted for compounded medication: J2275-KD NDC 62991140305**

The table on page 4 describes the pertinent claim line information.

**DETERMINATION OF ISSUE IN DISPUTE: J2275-KD NDC 62991-1403-07**

<b>Date of Service:</b> 01/19/2016						
<b>Pharmacy</b>						
<b>Service Code</b>	<b>Provider Billed</b>	<b>Plan Allowed</b>	<b>Dispute Amount</b>	<b>Units</b>	<b>Workers' Comp Allowed Amt.</b>	<b>Notes</b>
J2275-KD NDC 62991140307	\$4,400.00	\$0.00	\$413.60	44	\$19.22	<b>PPO</b> Refer to Analysis

Copy to:

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]