

MAXIMUS FEDERAL SERVICES, INC.

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

12/27/2013

Independent Bill Review Final Determination Reversed

[REDACTED]
[REDACTED]
[REDACTED]

Re: Claim Number: [REDACTED]
Claims Administrator name: [REDACTED]
Date of Disputed Services: 1/10/2013 – 1/15/2013
MAXIMUS IBR Case: CB13-0000184

Dear [REDACTED],

Determination:

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 11/15/2013, by the Administrative Director of the California Division of Workers' Compensation pursuant to California Labor Code section 4603.6. MAXIMUS Federal Services has determined that the **Claims Administrator's determination is reversed. The Claims Administrator is required to reimburse you the IBR fee of \$335.00 and the amount found owing of \$7,895.92, for a total of \$8,230.92.**

Pertinent Records and Other Appropriate Information Relevant to the Determination Reviewed:

The following evidence was used to support the decision:

- 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 or negotiated contract: PPO Contract
- Other: OMFS Inpatient Hospital Fee Schedule

Supporting Analysis:

The dispute regards the payment amount for inpatient hospital services 1/10/2013 - 1/15/2013. The Provider billed services and supplies related to the DRG 454. The Claims Administrator paid \$94,651.41 for the inpatient services indicating "PPO reduction was made for this bill and/or the bill was repriced according to a negotiated rate."

The Provider submitted a claim for inpatient hospital services and is requesting additional reimbursement for the implantable hardware billed under Revenue code 278 and DRG 454.

For discharges occurring on or after January 1, 2013 but before January 1, 2014, an additional allowance of \$9,140.00 shall be made for spinal devices used during complex spinal surgery MS-DRGs 453, 454, and 455; an additional allowance of \$3,170.00 shall be made for spinal devices used during complex spinal surgery MS-DRG 456; and an additional allowance of \$670.00 shall be made for spinal devices used during complex spinal surgery MS-DRGs 028, 029, and 030, per California Code of Regulations, Title 8 Section 9789.22(g)(2). Based on the date of service and DRG, an additional allowance for the implantable hardware is warranted.

The OMFS Inpatient Hospital Fee Schedule maximum payment amount is that amount determined by multiplying the DRG weight x hospital composite factor x 1.20 and by making any adjustments required in California Code of Regulations, Title 8 Section 9789.22.

Based on a review of the documentation, the inpatient services were paid based on a PPO contract. The PPO contract was submitted as part of the documentation. Per the PPO Contract, Workers' Compensation Services identified by the following DRGs: 453-460, 467, 472, and 473 reimbursement shall be at 97% of the Fee Schedule (Per DRG Payment Methodology as identified by the OMFS guidelines). Implants for Workers' Compensation services will be reimbursed at Providers costs plus 5% but will not exceed 100% of the Fee Schedule rates in place at the time treatment is rendered. The PPO allowance for the inpatient services is \$102,547.33 (97% of DRG allowance \$96,296.22 = \$93,407.33 + 100% of the implant allowance \$9,140.00).

The additional reimbursement of \$7,895.92 is warranted per the Official Medical Fee Schedule Inpatient Hospital Services DRG 454.

The chart below provides a comparison of billed charges and reimbursement rates for the codes and date of services at issue.

Validated Code	Dispute Amount	Total Fee Schedule Allowance	Provider Paid Amount	Allowed Recommended Reimbursement	Fee Schedule Utilized
DRG 454	\$25,551.09	\$102,547.33	\$94,651.41	\$7,895.92	PPO Contract

MAXIMUS Federal Services, as the Independent Bill Review Organization, has determined the Claims Administrator owes the Provider additional reimbursement. The Claims Administrator is required to reimburse the Provider for the IBR application fee (**\$335.00**) and the OMFS amount for DRG 454 (\$7,895.92) for a total of \$8,230.92.

The Claims Administrator is required to reimburse the provider \$8,230.92 within **45 days of date on this notice per section 4603.2 (2a)**. This decision constitutes the final determination of the Division of Workers' Compensation Administrative Director, is binding on all parties, and is not subject to further appeal except as specified in Labor Code section 4603.6(f).

Sincerely,

[REDACTED], RHIT

Copy to:

[REDACTED]
[REDACTED]
[REDACTED]

Copy to:

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