

**MAXIMUS FEDERAL SERVICES, INC.**

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

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10/29/2013

**Independent Bill Review Final Determination Reversed**

[REDACTED]  
[REDACTED]  
[REDACTED]

Re: Claim Number: [REDACTED]  
Claims Administrator name: [REDACTED]  
Date of Disputed Services: 1/10/2013 – 1/10/2013  
MAXIMUS IBR Case: CB13-0000045

Dear [REDACTED]

**Determination:**

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 7/12/2013, 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 \$34,549.62 for a total of \$34,884.62.**

**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: OMFS
- Other: Medireg APC Grouper and Centers for Medicare and Medicaid Services (CMS) Outpatient Prospective Payment System (OPPS)

## Supporting Analysis:

The dispute regards the payment for surgical facility services on date of service 1/10/2013. The facility services were billed on a UB-04/CMS1450 using revenue codes for services and supplies related to CPT 63650 (4), 63685 (2), 63661 and 63688. The Provider was reimbursed \$10,691.23, and is now requesting additional reimbursement of \$58,957.62. The Claims Administrator allowed reimbursement for CPT 63650 (2), 63661 and 63688, denied payment on two units billed for procedure code 63650 indicating "This hospital outpatient allowance was calculated as required under section 9789.33 of title 8, C.C.R." The Claims Administrator denied reimbursement on the two units billed for procedure code 63685 indicating "The procedure code is disallowed based on CPT rules."

The surgical facility billed the following procedure codes for date of service 1/10/2013: 63650, 63650 59, 63650 59, 63650 59, 63685 58, 63685 58 59, 63661 and 63688.

CPT 63650 – Percutaneous implantation of neurostimulator electrode array, epidural

CPT 63685 – Insertion or replacement of spinal neurostimulator pulse generator or receiver, direct or inductive coupling

CPT 63661 – Removal of spinal neurostimulator electrode percutaneous array(s), including fluoroscopy, when performed

CPT 63688 – Revision or removal of implanted spinal neurostimulator pulse generator or receiver  
Modifier 58 - Staged or Related Procedure or Service by the Same Physician During the Postoperative Period: It may be necessary to indicate that the performance of a procedure or service during the postoperative period was: (a) planned or anticipated (staged); (b) more extensive than the original procedure; or (c) for therapy following a surgical procedure. This circumstance may be reported by adding modifier 58 to the staged or related procedure.

Modifier 59 - Distinct Procedural Service: Under certain circumstances, it may be necessary to indicate that a procedure or service was distinct or independent from other non-E/M services performed on the same day. Modifier 59 is used to identify procedures/services, other than E/M services, that are not normally reported together, but are appropriate under the circumstances. Documentation must support a different session, different procedure or surgery, different site or organ system, separate incision/excision, separate lesion, or separate injury (or area of injury in extensive injuries) not ordinarily encountered or performed on the same day by the same individual.

The provider is considered an ambulatory surgical center (ASC) and is located in Orange County. Based on the provider type, the reimbursement for services is calculated on the Centers for Medicare and Medicaid Services (CMS) Outpatient Prospective Payment System (OPPS). Procedures are assigned APC weights and "Proposed Payment Status Indicators." The CPT 63650 and 63685 have an assigned indicator of "S". The "S" indicator definition is "Significant procedure, not discounted when multiple" and qualifies for separate APC payment. The CPT 63688 and 63661 have an assigned indicator of "T". The "T" indicator definition is "Significant procedure subject to multiple procedure discounting." The APC weights are determined by the APC code assigned by the Outpatient Prospective Payment System Calculator.

The billed procedure codes from the original UB-04/CMS1450 claim form were entered into the Outpatient Prospective Payment System Calculator. The reimbursement for the surgical services was calculated for the four units billed for procedure code 63650, two units billed for 63685, and 63688. Procedure code 63688 is not billable with 63685 when the services are for the same pulse

generator. Based on the information documented in the operative report, the removal was for a separate internal programmable generator (IPG) and the insertion was for two separate ANS (St Jude Medical) EON Mini IPGs. The same IPG was not removed and then re-implanted during the surgical procedure. The denial of the two units of 63685 by the Claims Administrator was not correct.

The billed procedure code 63661 was not allowed due to the code is considered a mutually exclusive procedure to the billed procedure code 63650. The removal of a “temporary” percutaneous catheter array is included in code 63650. If removing a “permanent” percutaneous catheter array, then CPT code 63661 may be reported separately. The operative report did not indicate the two removed cervical spinal cord stimulator leads were permanent. Therefore, the billed procedure code 63661 is not separately reimbursable when billed with 63650. The Claims Administrator paid the removal of the spinal cord stimulator lead (63661) and denied the implantation codes (63650) for the cervical spine location. The reimbursement should have been for the primary procedure (63650). Reimbursement is warranted for the two units of CPT 63650. The Claims Administrator’s reimbursement of 63661 and denial of 63650 was not correct.

An additional reimbursement of \$34,549.62 is warranted based on the Workers' Compensation ambulatory surgical center formula for determining ASC reimbursement, per California Code of Regulations, Title 8, Section 9789.33(A). The additional reimbursement was determined using the following calculation:

Total recommended reimbursement \$35,502.46 – \$952.84 (previously paid) = \$34,549.62

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

Validated Code	Validated Modifier	Validated Modifier	Validated Units	Dispute Amount	Total Fee Schedule Allowance	Provider Paid Amount	Allowed Recommended Reimbursement	Fee Schedule Utilized
63650	59		1	\$5,997.70	\$4,034.80	\$0.00	\$4,034.80	OMFS
63650	59		1	\$5,997.70	\$4,034.80	\$0.00	\$4,034.80	OMFS
63685	58		1	\$20,388.12	\$13,716.43	\$0.00	\$13,716.43	OMFS
63685	58	59	1	\$20,388.12	\$13,716.43	\$0.00	\$13,716.43	OMFS
63661			1	\$952.84	\$0.00	\$952.84	\$0.00	OMFS

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 ASC facility services (\$34,549.62) for a total of \$34,884.62.

***The Claims Administrator is required to reimburse the provider \$34,884.62 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]

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[REDACTED]  
[REDACTED] [REDACTED]  
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