

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
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Independent Bill Review Final Determination Reversed

6/6/2014

[REDACTED]
 [REDACTED]
 [REDACTED]

IBR Case Number:	CB13-0000907	Date of Injury:	12/10/2012
Claim Number:	[REDACTED]	Application Received:	12/18/2013
Claims Administrator:	[REDACTED]		
Date(s) of service:	09/04/2013 – 09/04/2013		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	24341, 25290		

Dear [REDACTED]:

Determination:

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 01/10/2014, 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 \$1,036.80, for a total of \$1,371.80.**

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: OMFS Outpatient Hospital Fee Schedule, National Correct Coding Initiative / Version 19.2 (7/1/2013-9/30/2013)

Supporting Analysis:

Determination Rationale: The dispute regards the payment for surgical facility services for date of service 09/04/2013. The facility services were billed on a UB-04/CMS 1450 using revenue codes for services and supplies related to CPT code 24341 (6 units) and 25290 (2 units). The Claims Administrator reimbursed \$12,362.03 for the billed procedure code 24341(6) with the explanation "Line paid at 100 percent of billed charges. Multiple procedure reduced 50 percent per Fee Schedule." The Claims Administrator reimbursed \$2,568.92 for the billed procedure code 25290(2) with the explanation "Multiple procedure reduced 50 percent per Fee Schedule."

CPT 24341 – Repair, tendon or muscle, upper arm or elbow, each tendon or muscle, primary or secondary (excludes rotator cuff)

CPT 25290 – Tenotomy, open, flexor or extensor tendon, forearm and/or wrist, single, each tendon

Pursuant to Labor Code section 5307.1(g)(2), the Administrative Director of the Division of Workers' Compensation orders that Title 8, California Code of Regulations, sections 9789.30 and 9789.31, pertaining to Hospital Outpatient Departments and Ambulatory Surgical Centers Fee Schedule in the Official Medical Fee Schedule, is amended to conform to CMS' hospital outpatient prospective payment system (OPPS). The Administrative Director incorporates by reference, the Centers for Medicare and Medicaid Services' (CMS) Hospital Outpatient Prospective Payment System (OPPS) certain addenda published in the Federal Register notices announcing revisions in the Medicare payment rates. The adopted payment system addenda by date of service are found in the Title 8, California Code of Regulations, and Section 9789.39(b). Based on the adoption of the CMS hospital outpatient prospective payment system (OPPS), CMS coding guidelines and the hospital outpatient prospective payment system (OPPS) was referenced during the review of this Independent Bill Review (IBR) case.

The provider is considered an ambulatory surgical center (ASC) and is located in Alameda 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 surgical CPT code 24341 and 25290 billed has an assigned indicator of "T". The "T" indicator definition is "Significant procedure, multiple procedure reduction applies" and qualifies for separate APC payment.

The CPT codes from the original UB-04/CMS1450 claim form were entered into the Outpatient Prospective Payment System Calculator. The payment was calculated based on multiple surgery guidelines, the primary procedure 24341(1 unit) was considered at 100% of the OMFS Outpatient Hospital Fee Schedule and the remaining five units of 24341 were considered at 50% of the OMFS Outpatient Hospital Fee Schedule. The operative report documented the repair of six tendons: the supinator, the anconcus, the extensor carpi ulnaris, the extensor digiti minimi, the extensor digitorum communis, and the extensor carpi radialis brevis tendons. The Claims Administrator did not reimburse the primary procedure at 100% of the OMFS allowance (\$3,828.23). The Provider billed a total of \$16,748.58 for six units of 24341. The reimbursement for the billed procedure code 24341 (6 units) should have been as follows: Primary procedure 24341 (1) at \$3,828.23; and remaining 5 units of 24341 at \$1,914.12 (each unit, at 50% of the OMFS listed allowance). Total reimbursement for the billed procedure code 24341(6) is \$13,398.83. Additional reimbursement of \$1,036.80 is warranted for the billed procedure code 24341.

The second disputed code is surgical CPT code 25290 and was considered at 50% of the OMFS Outpatient Hospital Fee Schedule. The operative report documented the tenotomy of the two flexor tendons: the extensor carpi radialis longus tendon and brachioradialis tendon. The Claims Administrator reimbursed all two units of CPT 25290 at 50% of the OMFS Outpatient Hospital Fee Schedule at \$1284.46. The reimbursement of 2 units of CPT 25290 by the Claims Administrator was correct.

The additional reimbursement of \$1,036.80 for the surgical facility services for date of service 09/04/2013 is warranted per the Official Medical Fee Schedule code 24341. There is no additional reimbursement warranted for the billed procedure code 25290.

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

Validated Code	Validated units	Dispute Amount	Total Fee Schedule Allowance	Provider Paid Amount	Allowed Recommended Reimbursement	Fee Schedule Utilized
24341	6	\$1,036.80	\$13,398.83	\$12,362.03	\$1,036.80	OMFS
25290	2	\$2,568.92	\$2,568.92	\$2,568.92	\$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 CPT code 24341 (\$1,036.80) for a total of \$1,371.80.

The Claims Administrator is required to reimburse the provider \$1,371.80 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).

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