

**MAXIMUS FEDERAL SERVICES, INC.**

Independent Bill Review  
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**Independent Bill Review Final Determination Upheld**

9/12/2014

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IBR Case Number:	CB13-0000930	Date of Injury:	8/30/2006
Claim Number:	██████████	Application Received:	12/23/2013
Claims Administrator:	██		
Date(s) of service:	9/30/2013 – 9/30/2013		
Provider Name:	████████████████████		
Employee Name:	██████████		
Disputed Codes:	NDC 49452003202 and 38779052409		

Dear ██████████:

**Determination:**

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 3/28/2014, 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 upheld**. This determination finds that the Claims Administrator does not owe the Provider additional reimbursement.

**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
- Other: Official Medical Fee Schedule, Labor Code 5307.1

## Supporting Analysis:

Per Labor Code Section 5307(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.

The dispute regards the payment amount for a compounded drug product billed as NDC #38779052409 and 49452003202.

The initial review by the Claims Administrator resulted in a denial of the billed NDC 38779052409 and 49452003202 with the following explanation "Prescription is incomplete. Missing/incomplete/invalid Rx coding. Compound drug, please resubmit invoice of documented paid costs as defined under AB 378, Chapter 545, Section 139.3, 139.31."

The second/final review by the Claims Administrator resulted in the reimbursement of \$100.01 which was issued for the billed compounded drug product with the following explanation "Based on newly submitted information, additional payment recommended. Amounts billed above the recommended allowances are hereby objected to as being in excess of the amounts authorized under section 5307.1 and 5307.3 of the California Labor Code."

The Provider is billing for a compounded drug product (Fentanyl and Bupivacaine), the medications were administered and dispensed in the office for an Intrathecal Drug Delivery System (IDDS) pump refill.

The documented paid cost/invoice for the billed medications was not submitted as part of the original documentation. MAXIMUS requested a copy of the invoice and/or proof of paid costs. The Provider did not submit the requested information and indicated in a response to MAXIMUS "Pharmacy invoicing pricing will not be provided." Due to the lack of documentation, the reviewers were unable to determine if the reimbursement by the Claims Administrator was correct. Additional reimbursement for the compounded drug product is not recommended

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

Validated Code	Validated Units	Dispute Amount	Total Fee Schedule Allowance	Provider Paid Amount	Allowed Recommended Reimbursement	Fee Schedule Utilized
49452003202 Fentanyl	0.32gm	\$2,203.99	\$100.01	\$100.01	\$0.00	OMFS
38779052409 Bupivacaine	0.2gm	\$8.00				OMFS
Compounding Fee		\$60.00				OMFS
Total		\$2,746.39				

**Chief Coding Specialist Decision Rationale:**

This decision was based on supplied medical, explanation of reviews and comparison with OMFS Pharmacy Fee Schedule. This was determined correctly by the Claims Administrator and the payment of \$100.01 is upheld.

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,

██████████, RHIT  
Chief Coding Reviewer

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