

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:	CB13-0000976	Date of Injury:	09/01/2003
Claim Number:	██████████	Application Received:	12/27/2013
Claims Administrator:	████████████████████		
Date(s) of service:	01/11/2013 – 01/11/2013		
Provider Name:	████████████████████		
Employee Name:	████████████████████		
Disputed Codes:	NDC 49452003202 and 18860072010		

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:

Pursuant to Labor Code Section 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.

The dispute regards the denial for a compounded drug product billed as NDC #49452003202 and 18860072010. The Provider billed \$1,711.20 with the NDC 49452003202 and 18860072010 for date of service 1/11/2013. The initial review by the Claims Administrator did not yield any reimbursement for the NDC 49452003202 and 18860072010. The second/final explanation of review (EOR) indicated the billed compounded drug NDCs were denied with the following explanations:

- Claim/service lacks information which is needed for adjudication.
- The charge exceeds the Official Medical Fee Schedule allowance. The charge has been adjusted to the scheduled allowance.
- We cannot review this service with necessary documentation. Please resubmit with indicated documentation as soon as possible (Please submit copy of invoice)
- A payment or denial has already been recommended for this service
- The service has been disallowed due to lack of invoice. Several attempts have been made in trying to obtain the information from your office. Please resubmit invoice for further review.

The Provider is billing for a compounded drug product (Fentanyl and Prialt), the medications were administered and dispensed in the office for an Intrathecal Drug Delivery System (IDDS) pump refill. An itemization from the Compounding Pharmacy was included in the documentation. The Itemization included a date, invoice number; and a prescription for a compounded medication (Fent 4mg + Prialt 5mcg/ml). The drugs Fentanyl and Prialt were compounded at the pharmacy and delivered to the Provider as a compounded drug product. The supplied invoice/itemization was missing the cost/charges for the compounded drug product.

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." The documented paid costs are necessary to determine reimbursement. The Claims Administrator requested the documentation in order to determine appropriate reimbursement; the requested information was not supplied. Due to the lack of the requested documentation, reimbursement is not warranted.

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

Validated Code	Dispute Amount	Total Fee Schedule Allowance	Provider Paid Amount	Allowed Recommended Reimbursement	Fee Schedule Utilized
49452003202 Fentanyl	\$691.20	\$0.00	\$0.00	\$0.00	OMFS
18860072010 Prialt	\$948.00	\$0.00	\$0.00	\$0.00	OMFS
Compounding Fee	\$72.00	\$0.00	\$0.00	\$0.00	OMFS

Chief Coding Specialist Decision Rationale:

This decision was based on Supplied Medical Record and comparison with OMFS Pharmacy Fee Schedule. This was determined correctly by the Claims Administrator and the payment of \$0.00 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,

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