

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
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Independent Bill Review Final Determination Reversed

8/28/2014

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IBR Case Number:	CB14-0000229	Date of Injury:	10/28/2006
Claim Number:	██████████	Application Received:	2/20/2014
Claims Administrator:	████████████████████		
Date(s) of service:	8/16/2013 – 8/16/2013		
Provider Name:	████████████████████		
Employee Name:	██████████		
Disputed Codes:	E1399 RR		

Dear ██████████:

Determination:

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 3/19/2014, 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 \$274.13, for a total of \$609.13.**

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: Official Medical Fee Schedule Durable Medical Equipment, Prosthetics, Orthotics, Supplies (DMEPOS)

Supporting Analysis:

Labor Code 5307.1(e)(4) For a dangerous device dispensed by a physician, the reimbursement to the physician shall not exceed either of the following:

(A) The amount allowed for the device pursuant to the official medical fee schedule adopted by the administrative director.

(B) One hundred twenty percent of the documented paid cost, but not less than 100 percent of the documented paid cost plus the minimum dispensing fee allowed for dispensing prescription drugs pursuant to the official medical fee schedule adopted by the administrative director, and not more than 100 percent of the documented paid cost plus two hundred fifty dollars (\$250).

The dispute regards the payment amount for Thermal Compression System (E1399 RR). The Provider billed the compression system as HCPCS E1399 RR, was reimbursed \$225.50 and is requesting an additional reimbursement of \$1,685.50. The Claims Administrator based its reimbursement of E1399 RR on HCPCS E0745 on the initial explanation of review (EOR) and indicated a payment of \$69.20 was issued with the explanation "The charge exceeds the Official Medical Fee Schedule allowance. The charge has been adjusted to the scheduled allowance." The second/EOR in response to the Provider's appeal indicated an additional reimbursement amount of \$156.30 was issued with the explanation "The charge exceeds the Official Medical Fee Schedule allowance. The charge has been adjusted to the scheduled allowance."

2013 HCPCS Durable Medical Equipment Code Description:

HCPCS E1399: Durable medical equipment, miscellaneous

Modifier RR: Rental (use the RR modifier when DME is to be rented)

The Provider submitted for review the following items: CMS 1500 form; Product Comparison – Thermal Compression Systems sheet; Q-Tech Recovery System Information Sheet; and Invoice.

The CMS 1500 indicated the disputed code E1399 RR was billed as a rental with a total of 21 units. The Information sheet described the Q-Tech Recovery System states, "used for post-operative care including: heat unit; cold unit; and DVT/Compression unit." The submitted Invoice was address to the Provider and issued by a DMEPOS supplier (Sevenses). The invoice documented the MSRP rate of \$2,230.00 for the Quatro-Technology Recovery System. The Provider did not submit documentation indicating the Usual & Customary fees charged for the rental of the Thermal Compression System, as such, further research was indicated to deduce the appropriate fee as this information could not be extrapolated from the information provided. The extensive research resulted in a HCPCS Durable Medical Equipment (DME) code with a descriptor relevant to the device.

The Claims Administrator's reimbursement and code assignment of HCPCS E0745 – this code was not appropriate. In fact, the supplied DME equipment is best described by HCPCS E0675.

The Following is a comparison of the recommended code assignment compared to the Claims Administrators code assignment utilizing the 2013 HCPCS Durable Medical Equipment Code Description:

HCPCS E0745: Neuromuscular stimulator, electronic shock unit

HCPCS E0675: Pneumatic compression device, high pressure, rapid inflation/deflation cycle, for arterial insufficiency (unilateral or bilateral system)

The Provider appears to be billing for the purchase price, rather than a 21 day rental for the Thermal Compression System; therefore, reimbursement is recommended for the billed HCPCS E1399 RR based on the Official Medical Fee Schedule Durable Medical Equipment, Prosthetics, Orthotics, Supplies (DMEPOS) allowance for HCPCS E0675 RR.

The additional reimbursement for \$274.13 is warranted per the Official Medical Fee Schedule Durable Medical Equipment, Prosthetics, Orthotics, Supplies (DMEPOS) code E0675 RR (E1399 RR).

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 Units	Dispute Amount	Total Fee Schedule Allowance	Provider Paid Amount	Allowed Recommended Reimbursement	Fee Schedule Utilized
E0675	RR	21	\$1,685.50	\$499.63	\$225.50	\$274.13	OMFS

