

MAXIMUS FEDERAL SERVICES, INC.

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

Independent Bill Review Final Determination Reversed

6/11/2014

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IBR Case Number:	CB14-0000002	Date of Injury:	1/22/2002
Claim Number:	██████████	Application Received:	1/3/2014
Claims Administrator:	██████████		
Date(s) of service:	8/28/2013 – 8/28/2013		
Provider Name:	████████████████████		
Employee Name:	████████████████████		
Disputed Codes:	17304, 17304 Modifier 59, 17999 Modifier 59 and 17999 Modifier 59		

Dear ██████████:

Determination:

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 1/24/2014, 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 \$624.24, for a total of \$959.24.**

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: PPO Contract
- Other: OMFS Surgery General Information and Ground Rules

Supporting Analysis:

The dispute regards the payment amount for surgical procedures (17304,17999 59) performed on 8/28/2013. The Provider billed two units of 17304, and two units of 17999. The Claims Administrator reimbursed \$208.08 for procedure codes 17304 and 17304 Modifier 59 with the explanation "Adjacent Tissue transfer was done by another physician, which is first and second procedure based on OMFS guidelines, done in same operative session paid @ 25%. No additional allowance recommended." The Claims Administrator reimbursed \$104.04 for the billed procedure code 17999 Modifier 59 (2 units) with the explanation "The value of this procedure is based on 25% of 17106, which appears equal in scope and complexity to services rendered. (5th and 6th subsequent procedure)"

CPT 17304 - Chemosurgery (Mohs' micrographic technique), including removal of all gross tumor, surgical excision of tissue specimens, mapping, color coding of specimens, microscopic examination of specimens by the surgeon, and complete histopathologic preparation; first stage, fresh tissue technique, of up to 5 specimens.

CPT 17999 - The description of the billed procedure code 17999 is "Unlisted procedure, skin, mucous membrane and subcutaneous tissue." Per the Official Medical Fee Schedule, the procedure code 17999 does not have an assigned unit value and is considered a "By Report" code. Per the OMFS Surgery General Information and Ground Rules, procedures coded By Report are services which are unusual or variable. An unlisted service, or one that is rarely provided, unusual or variable, may require a report demonstrating the medical appropriateness of the service. Pertinent information should include an adequate definition or description of the nature or extent, and need for the procedure and the time, effort and equipment necessary to provide the service. By Report procedure values may also be determined by using the values assigned to a comparable procedure.

Modifier 59 - Distinct Procedural Service.

The Provider submitted operative reports for the MOHs surgeries (17304) and CO2 Matrix Fractional Ablative Laser Reconstructive Surgeries (17999). The Mohs surgeries and CO2 Laser surgeries were performed on two separate locations: Right Upper Helix and Right Lateral Forehead. The skin repair procedures (Graft and Flap) were performed by a different physician of a different specialty (Plastic Surgery). Separate operative reports were submitted for the Flap and Graft procedures and the report documented a different attending surgeon's name. If surgeons of different specialties are each performing a different procedure, then multiple surgery rules do not apply. If one of the surgeons performs multiple procedures, the multiple procedure rules apply to that surgeon's services. The Claims Administrator's decision to reduce the Mohs surgery procedure codes (17304) to 25% as third and fourth surgical procedures was not correct. The billed procedure codes 17304 and 17304 Modifier 59 should have been reimbursed as the primary procedures at 100% of listed value. An Operative Report was submitted for each separate Mohs procedure. The Operative Reports documented two separate lesions and incision/excision sites for the Mohs procedures: R. Upper Helix; and R. Lateral Forehead. The Provider billed two units of 17304 for two separate surgical sites (R. Upper Helix and R. Lateral Forehead); therefore, additional reimbursement is warranted.

The third and fourth disputed codes are procedure codes 17999 Modifier 59 (2 units). The Provider submitted a separate operative report for these procedures. The operative report submitted by the Provider did not document an adequate procedure description, complexity or the amount of time required for the procedures. Based on the documentation submitted, a comparable procedure code or By Report allowance higher than the Claims Administrator's reimbursement of procedure code 17106 could not be determined. The areas treated were described as "Spot" with size of 9mm per "Spot." The description of 17106 is "Destruction of cutaneous vascular proliferative lesions (e.g., laser technique); less than 10 sq. cm." Due to the multiple procedures billed for each surgical site, the

services billed as procedure codes 17999 Modifier 59 and 17999 Modifier 59 are subject to multiple surgery reduction guidelines. The Provider billed the following surgical procedures for each site: 17304; 17305; 17306 and 17999 Modifier 59. Per the OMFS multiple surgery reduction guidelines, the reimbursement of 25% of the listed allowance of 17106 for the laser surgeries billed under procedure code 17999 Modifier 59 by the Claims Administrator was correct.

The additional reimbursement of \$624.24 is warranted per the Official Medical Fee Schedule codes 17304 and 17304 Modifier 59. There is no additional reimbursement warranted per the Official Medical Fee Schedule code 17999 Modifier 59 (2 units).

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
17304		1	\$895.96	\$416.16	\$104.04	\$312.12	PPO Contract
17304	59	1	\$895.96	\$416.16	\$104.04	\$312.12	PPO Contract
17999 (17106)	59	1	\$1,447.98	\$52.02	\$52.02	\$0.00	PPO Contract
17999	59	1	\$1,447.98	\$52.02	\$52.02	\$0.00	PPO Contract

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 17304 and 17304 Modifier 59 (\$624.24) for a total of \$959.24.

The Claims Administrator is required to reimburse the provider \$959.24 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,



Copy to:

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