

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
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Independent Bill Review Final Determination Reversed

6/25/2014

[REDACTED]
[REDACTED]
[REDACTED]

IBR Case Number:	CB14-0000021	Date of Injury:	5/21/2013
Claim Number:	[REDACTED]	Application Received:	1/6/2014
Claims Administrator:	[REDACTED]		
Date(s) of service:	5/21/2013 – 5/21/2013		
Provider Name:	[REDACTED] enter		
Employee Name:	[REDACTED]		
Disputed Codes:	Revenue Code 274		

Dear [REDACTED]

Determination:

A Request for Independent Bill Review (IBR) was assigned to MAXIMUS Federal Services on 1/31/2014, 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 \$314.00, for a total of \$649.00.**

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 ASC and DMPOS Fee Schedule

Supporting Analysis:

The dispute regards the denial of payment for an upper limb orthosis (L3999). The Provider billed a charge of \$910.14 for the revenue code 274 (HCPCS L3999) and is requesting reimbursement of \$328.90. The Claims Administrator reimbursed the Provider \$5,340.38 for the billed Outpatient Hospital Surgical Services performed on 5/21/2013. The Claims Administrator denied the billed HCPCS L3999 with the following explanations "In accordance with OPSS Guidelines, the billed revenue codes require HCPCS/CPT coding. No separate payment is recommended for a non-package revenue code."

HCPCS L3999 - Upper limb orthosis, not otherwise specified

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 (OPSS). The Administrative Director incorporates by reference, the Centers for Medicare and Medicaid Services' (CMS) Hospital Outpatient Prospective Payment System (OPSS) 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 (OPSS), CMS coding guidelines and the hospital outpatient prospective payment system (OPSS) were referenced during the review of this Independent Bill Review (IBR) case.

Based on the provider type, the reimbursement for services is calculated on the Centers for Medicare and Medicaid Services (CMS) Outpatient Prospective Payment System (OPSS). Procedures are assigned APC weights and "Proposed Payment Status Indicators." The HCPCS code L3999 has an assigned status indicator of "A". The "A" indicator definition is "Not paid under OPSS. Paid by fiscal intermediaries/MACs under a fee schedule or payment system other than OPSS."

Per the OMFS Outpatient Hospital Ambulatory Surgery Center Fee schedule, the maximum allowable fee for durable medical equipment, prosthetics and orthotics shall be determined according to Section 9789.60." The HCPCS L3999 is an Orthotic and is reimbursable when billed by an Outpatient Hospital or Ambulatory Surgery Center (ASC) under the OMFS DMEPOS fee schedule per Title 8, CCR, section 9789.32(c)(6). The allowance for supplies and materials other than dispensed durable medical equipment not listed on the Medicare DMEPOS fee schedule shall be reimbursed documented paid cost plus 20% (not to exceed cost plus \$15.00). The Provider submitted an invoice indicating the documented paid cost of the upper limb orthosis (L3999) orthotic was \$299.00. The billed HCPCS L3999 is not on the Medicare DMEPOS fee schedule; therefore, the recommended reimbursement for the billed orthotic (L3999) is cost plus 20% (not to exceed cost plus \$15.00).

The reimbursement of \$314.00 is warranted for the OMFS Outpatient Hospital Ambulatory Surgery Center code L3999.

