

MAXIMUS FEDERAL SERVICES, INC.

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



INDEPENDENT BILLING REVIEW FINAL DETERMINATION

October 2, 2015

[REDACTED]
[REDACTED]
[REDACTED]

IBR Case Number:	CB15-0001542	Date of Injury:	04/04/2014
Claim Number:	[REDACTED]	Application Received:	09/04/2015
Claims Administrator:	[REDACTED]		
Date(s) of service:	01/31/2015		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	G0378		

Dear [REDACTED]

MAXIMUS Federal Services has completed the Independent Bill Review (“IBR”) of the above workers’ compensation case. This letter provides you with the IBR Final Determination and explains how the determination was made.

Final Determination: UPHOLD. MAXIMUS Federal Services has determined that no additional reimbursement is warranted. The Claims Administrator’s determination is upheld and the Claim Administrator does not owe the Provider additional reimbursement. A detailed explanation of the decision is provided later in this letter.

The determination of MAXIMUS Federal Services and its expert reviewer is deemed to be the Final Determination of the Administrative Director of the Division of Workers’ Compensation. This determination is binding on all parties. In certain limited circumstances, you can appeal the Final Determination. Appeals must be filed with the Workers’ Compensation Appeals Board within 20 days from the date of this letter. For more information on appealing the final determination, please see California Labor Code Section 4603.6(f).

Sincerely,

Paul Manchester, MD, MPH
Medical Director

cc: [REDACTED]
[REDACTED]

DOCUMENTS REVIEWED

Pertinent documents reviewed to reach the determination:

- The Independent Bill Review Application
- 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
- Negotiated contracted rates:
- National Correct Coding Initiatives
- Medicare and Medicaid Services (CMS) Outpatient Prospective Payment System (OPPS)
- Other: CPT Assistant

HOW THE IBR FINAL DETERMINATION WAS MADE

MAXIMUS Federal Services Chief Coding Specialist reviewed the case file and researched pertinent coding and billing standards to reach a determination. In some cases a physician reviewer was employed to review the clinical aspects of the care to help make a determination. He/she has no affiliation with the employer, employee, providers or the claims administrator. The expert reviewer was selected based on his/her clinical experience, education, background, and expertise in the same or similar specialties that evaluate and/or treat the medical condition and disputed items/services.

ANALYSIS AND FINDING

Based on review of the case file the following is noted:

- **ISSUE IN DISPUTE:** Provider is dissatisfied with denial of G0378
- Claims Administrator denied code indicating on the Explanation of Review “Not paid under OPPS: services included in APC rate”
- G0378: Hospital observation services, per hour.
- Pursuant CPT Assistant Archives (4th Quarter 1990-Present): As of January 1, 2006, CPT codes 99217, 99218, 99219, 99220, 99234, 99235, and 99236 should not be reported by hospitals for observation services. The OPPS claims processing logic will determine the payment status of the observation and direct admission services, ie, whether they are packaged or separately payable. Thus, hospitals are able to provide consistent coding and billing under all circumstances in which they deliver observation care. In addition, CMS has changed the status indicator for CPT codes 99217 through 99220 and 99234 through 99236 from "N" (packaged) to "B" (code not recognized by OPPS). CMS expects hospitals to use G0378 to accurately report all observation services provided to beneficiaries, whether the observation would be packaged or separately payable, to assist in developing consistent and complete hospital claims data regarding the utilization and costs of observation services. **The units of service reported with G0378 would equal the number of hours the patient is in observation status.** Criteria for separate observation service payments include documentation of specific International

Classification of Diseases, Ninth Edition, Clinical Modification (ICD-9-CM) diagnostic codes; the length of time a patient is in observation status; hospital services provided before, during, and after the patient receives observation care; and ongoing physician evaluation of the patient's status. As stated in Transmittal A-02-129, released in January 2003, CMS will continue to update any changes in the list of ICD-9-CM codes required for payment of HCPCS code G0378 resulting from the October 1 annual update of ICD-9-CM in the October quarterly update of the OPPS. In addition, changes to the ICD-9-CM codes will be included in the OPPS calendar year 2006 final rule. The following are the criteria that CMS will continue to use during calendar year 2006 to determine if hospitals may receive separate OPPS payment for medically necessary observation care provided to a patient with congestive heart failure, chest pain, or asthma. The medical record must include documentation that the physician explicitly assessed patient risk to determine that the beneficiary would benefit from observation care.

- Patient notes submitted documents “Place patient in observation, Ordering user: name of MD 01/31/15 0649” and “Diagnosis S/P foot surgery”
- Documentation submitted does not support billed code G0378 and therefore, reimbursement is not warranted.

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: Reimbursement of code G0378

Date of Service: 01/31/2015						
Service Code	Provider Billed	Plan Allowed	Dispute Amount	Units	Workers' Comp Allowed Amt.	Notes
G0378	\$3396.00	\$0.00	\$1199.00	12	\$0.00	See Analysis

Copy to:

[REDACTED]
[REDACTED]
[REDACTED]

Copy to:

[REDACTED]
[REDACTED]
[REDACTED]