

INDEPENDENT BILLING REVIEW FINAL DETERMINATION

November 6, 2015

[REDACTED]
[REDACTED]
[REDACTED]

IBR Case Number:	CB15-0001881	Date of Injury:	06/27/2007
Claim Number:	[REDACTED]	Application Received:	10/13/2015
Claims Administrator:	[REDACTED]		
Date(s) of service:	07/30/2015		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	J7325 x 48		

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: OVERTURN. MAXIMUS Federal Services has determined that additional reimbursement is warranted. The Claims Administrator’s determination is reversed and the Claim Administrator owes the Provider additional reimbursement of \$195.00 for the review cost and \$384.66 in additional reimbursement for a total of \$579.66. A detailed explanation of the decision is provided later in this letter.

The Claim Administrator is required to reimburse the Provider a total of \$579.66 within 45 days of the date on this letter per section 4603.2 (2a) of the California Labor Code. 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
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: Unable to Verify
- Other: Red Book and OMFS will be utilized to calculate reimbursement.

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:

- Reimbursement of NDC# 58468009003 (J7325 Synvisc-One) for date of service 07/30/2015.
- Claims Administrator reimbursed J7325 with rationale “Price determined according to statutory pharmaceutical formula”
- The provider billed a total of \$8885.34 for the injections.
- Per Labor Code Section 5307 (e) (2) **compounded drug products are to be billed by the pharmacy or dispensing physician at the ingredient level by National Drug Code (NDC) and quantity.** 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 allowed by MEDI-CAL. If dispensed by a physician, the maximum reimbursement shall not exceed 300 percent of documented paid costs, but no more than twenty dollars above documented paid costs
- Although J-Codes are required for billing purposes, these often do not adequately reflect the units administered, dispensed, or prescribed. CCR § 9789.13.2 (2) The maximum reimbursement for pharmacy rate is currently defined as the lower of (1) the average wholesale price (AWP) minus 17 percent; (2) the federal upper limit (FUL); or (3) the maximum allowable **ingredient cost** (MAIC).

- Red Book indicates NDC 58468-0090-01 AWP **supplied as 8mg/1ml per unit or 16mg/2.0ml per Packaged Price unit.**
- The prescription submitted indicates “16mg/2.0ml” which would equate to 2 UNITS of NDC 58468-0090-01 in accordance with Red Book’s per unit descriptor.
- The prescription submitted indicates “3 syringes” with a dose of ‘16mg/2.0ml’ each. 3 syringes @ 2 units each = **6 units total.**
- 16 units, as indicated on the CMS 1500 form would, according to how the NDC is supplied, equate to 128mg of Product when only 48mg of product is reflected on the submitted prescription.
- DWC Calculator utilized to determine OMFS reimbursement. DWC calculator x 6 units = \$1,187.22 (which includes a dispensing fee).

Based on the aforementioned documentation and guidelines, additional reimbursement is indicated for NDC 58468-0090-01

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: Reimbursement of NDC 58468-0090-01

Date of Service: 07/30/2015						
[REDACTED]						
Service Code	Provider Billed	Plan Allowed	Dispute Amount	Multiple Surgery	Workers’ Comp Allowed Amt.	Notes
NDC 58468-0090-01	\$ 8885.34	\$802.56	\$8082.78	N/A	\$1,187.22	Additional \$384.66 due to Provider

Copy to:

[REDACTED]
[REDACTED]
[REDACTED]

Copy to:

[REDACTED]
[REDACTED]
[REDACTED]