

MAXIMUS FEDERAL SERVICES, INC.

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



INDEPENDENT BILLING REVIEW FINAL DETERMINATION

December 22, 2015

[Redacted]

IBR Case Number:	CB15-0002146	Date of Injury:	03/02/2012
Claim Number:	[Redacted]	Application Received:	11/23/2105
Claims Administrator:	[Redacted]		
Date(s) of service:	12/09/2014 – 12/13/2014		
Provider Name:	[Redacted]		
Employee Name:	[Redacted]		
Disputed Codes:	DRG 454		

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 \$1,021.16 in additional reimbursement for a total of \$1,216.16. A detailed explanation of the decision is provided later in this letter.

The Claim Administrator is required to reimburse the Provider a total of **\$1,216.16** 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, M.D., M.P.H.
Medical Director

Cc: [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
- PPO Contract

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 seeking contractual remunerating for Revenue Code 0278, Implants, Revenue Code 0636 Pharmaceuticals submitted as part of In-Patient Service DRG 454 from 12/9/2014 – 12/13/2014.**
- **Contractual Agreement** submitted for IBR, entitled “**Amendment to Contract,**” item 15 (h) indicates “40 % discount from billed charges” for “Implants/Prosthetics/Orthotics,,” item 16 (i) indicates “40% discount from billed charges” for Specified Pharmaceutical rate to be applied if combined billed charges in revenue codes “259”, “634-636” exceed an average of \$400 per day.” Inpatient Outlier Provision: If charges for a single uninterrupted inpatient stay, less charges reimbursed under a separate rate category, are greater than \$50,577 reimbursement for that stay will be at 30% discount from charges in lieu of the per diem rate.”
- Opportunity to Dispute Eligibility communicated to Claims Administrator on 11/25/2015; response not yet received.
- EOR’s indicate Provider reimbursed rate for DRG 454; Outlier percentage, Orthotics & Pharmaceutical percentage not included in total rate of reimbursement.
- **§ 5307.11:** A health care provider or health facility licensed pursuant to Section 1250 of the Health and Safety Code, and a contracting agent, employer, or carrier may contract for reimbursement rates different from those in the fee schedule adopted and revised pursuant to Section 5307.1. When a health care provider or health facility licensed pursuant to Section 1250 of the Health and Safety Code, and a contracting agent, employer, or carrier contract for reimbursement rates different from those in the fee schedule, the medical fee schedule for that health care provider or health facility licensed pursuant to Section 1250 of the Health and Safety Code **shall not apply to the contracted reimbursement rates.** Except as

provided in subdivision (b) of Section 5307.1, the official medical fee schedule shall establish maximum reimbursement rates for all medical services for injuries subject to this division provided by a health care provider or health care facility licensed pursuant to Section 1250 of the Health and Safety Code other than those specified in contracts subject to this section.

- **Based on the aforementioned documentation and guidelines, additional reimbursement for is indicated for inpatient services billed under DRG 454, with Rev. Code 0278 and 0636 pursuant to LC § 5307.11.**

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: DRG 454, Rev. Code 0278 & 0636

Date of Service: 12/9/2014 – 12/13/2014						
Hospital In-Patient						
Service Code	Provider Billed	Plan Allowed	Dispute Amount		Workers' Comp Allowed Amt.	Notes
0278	\$102,280.76	\$139,985.24	\$1,021.16		\$61,368.44	Refer to Analysis: Additional reimbursement due in the amount of \$1,021.16
0636	\$10,362.00				\$6,217.20	
DRG 454	\$104,886.82				\$73,420.76	
Totals	217,529.58	139,985.24	\$1,021.16		\$141,006.40	

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