

**MAXIMUS FEDERAL SERVICES, INC.**

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



---

**INDEPENDENT BILLING REVIEW FINAL DETERMINATION**

June 8, 2015

[Redacted]  
[Redacted]  
[Redacted]

IBR Case Number:	CB15-0000361	Date of Injury:	01/23/1984
Claim Number:	[Redacted]	Application	03/10/2015
Claims Administrator:	[Redacted]		
Date(s) of service:	10/31/2014 – 10/31/2014		
Provider Name:	[Redacted]		
Employee Name:	[Redacted]		
Disputed Codes:	J3490 (NDC#38779073104) Compound drug unclassified		

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 \$183.50 in additional reimbursement for a total of \$378.50. A detailed explanation of the decision is provided later in this letter.**

The Claim Administrator is required to reimburse the Provider a total of **\$378.50** 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]  
[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
- Red Book

## **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 remuneration for Unclassified Drug Injection, J4390 representing NDC 38779-0791-04 Hydromorphone Hydrochloride Powder for date of service 10/31/2014.**
- Claims Administrator denied reimbursement based on the following rationale: “According to the fee schedule, this service has a value of zero...”
- Red Book indicates **NDC 38779-0791-04 Hydromorphone Hydrochloride Powder.**
- Code **J3490** does adequately represent documented medication as the reported NDC numbers reflect the pharmaceuticals in powder form compounded and reconstituted with normal saline. As such, The NDCs and Metric Decimal Units (MDU) for **the grams of powder utilized** are considered for determination.
- Pharmacological documentation indicates the following:
  - Hydromorphone 20ml NS in 30ml Syringe.
  - 60 mg/ml in 20 ML NS (normal saline).
- **Labor Code 5307.1. (e) (2)** Any compounded drug product shall be billed by the compounding pharmacy or dispensing physician at the **ingredient level**, with each ingredient identified using the applicable National Drug Code (NDC) of the ingredient and the corresponding quantity, and in accordance with regulations adopted by the California State Board of Pharmacy. Ingredients with no NDC shall not be separately reimbursable. 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 equal to the dispensing fee allowed by the Medi-Cal payment systems. If the compounded drug product is dispensed by a physician, the maximum reimbursement shall not exceed 300 percent of documented paid costs, but in no case more than twenty dollars (\$20) above documented paid costs.
- The **ingredient level** of **powder** utilized in the 30 ml syringe is as follows:
- Hydromorphone 60mg = 0.06000000g of **powder**
- Invoice presented to IBR reflects \$149.20 for NDC 38779-0791-04 Hydromorphone Hydrochloride Powder.
- DWC prescription calculator is lesser than document paid cost.
- Based on the documentation and guidelines, additional reimbursement is indicated for NDC 38779-0524-04 & 38779-0673-04 & 38779-0731-04 **Pursuant to Labor Code § 5307.1 (3) (B)** One hundred twenty percent of the **documented paid cost**, but not less than 100 percent of the documented paid cost plus the minimum dispensing fee.
- Medication not dispensed but injected into pain pump - \$4.46 administration fee applies.

The table below describes the pertinent claim line information.

