

**MAXIMUS FEDERAL SERVICES, INC.**

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



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**INDEPENDENT BILLING REVIEW FINAL DETERMINATION**

June 16, 2015

[REDACTED]  
[REDACTED]  
[REDACTED]

IBR Case Number:	CB15-0000416	Date of Injury:	09/23/2004
Claim Number:	[REDACTED]	Application Received:	03/23/2015
Assignment Date:	04/20/2015		
Claims Administrator:	[REDACTED]		
Date(s) of service:	10/30/2014 – 10/30/2014		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	NDC # 38779067308 (J2275) & NDC # 38779056104 (J0735)		

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 \$32.04 in additional reimbursement for a total of \$227.04. A detailed explanation of the decision is provided later in this letter.**

The Claim Administrator is required to reimburse the Provider a total of **\$227.04** 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

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**MAXIMUS**  
Federal Services



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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
- DWC Pharmacy Calculator
- Medi-Cal Pricing Indicator

## **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 J2275 NDC 38779067308 Morphine Sulfate Powder relating and NDC # 38779056104 (J0735) Clonidine GRAMS to date of service 10/30/2014.**
- Claims Administrator denied reimbursement with the following rational: “Prior-Authorization required.”
- Retroactive Authorization, dated 10/13/2014 reflect authorization for meds and services including: “Morphine 10mg/ml x 2 months 120 units” and “Clonidine 300mcg/ml x 6 months 36 units”
- **Submitted Code J2275**, Injection, morphine sulfate (preservative-free sterile solution), **per 10 mg.**
- **CMS 1500 indicates 20 units (200 mg of Morphine).**
- Secondary Treating Physician’s Progress Report, “Session Data Report,” indicates NDC 38779067308 as a **compounded** medication.
- Red Book indicates NDC 38779067308 is supplied in powder form per gram of powder. As such, J2275 does not adequately reflect documentation as 20 units indicated on CMS 1500 form equates to 200 mg of Morphine.
- Aforementioned documentation reflects “**10 mg/ml**” compounded into volume of **20 ml’s.**
- **Submitted Code J0735**, Injection, Injection, clonidine hydrochloride, **1 mg.**
- **CMS 1500 indicates 6 units (6 mg of Clonidine).**
- Secondary Treating Physician’s Progress Report, “Session Data Report,” indicates NDC # 38779056104 (J0735) as a compounded medication.
- Red Book indicates NDC # 38779056104 is supplied in powder form **per gram** of powder. As such, J0735 does not adequately reflect documentation as 6 units indicated on CMS 1500 form equates to 6 mg of Clonidine.
- Aforementioned documentation reflects “**300 mcg/ml**” compounded into volume of 20 cc/ml’s.
- 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.
- NDC codes entered into the DWC Prescription Price Calculator **at the ingredient level**. MG/MCG reflected on Pain Pump documentation converted to **grams** as the ingredient is **powder** and is calculated per gram: MG or MCG Converted to Grams x 20 Volume.

The table below describes the pertinent claim line information.

**DETERMINATION OF ISSUE IN DISPUTE: NDC # 38779067308 (J2275)**

<b>Date of Service:</b> 10/30/2014						
<b>Physician Services/Pharmacy</b>						
<b>Service Code</b>	<b>Provider Billed</b>	<b>Plan Allowed</b>	<b>Dispute Amount</b>	<b>Units</b>	<b>Workers' Comp Allowed Amt.</b>	<b>Notes</b>
J2275 NDC 38779067308 NDC # 38779056104 (J0735)	\$761.90	\$0.00	\$332.26	0.2 Grams  0.06 Grams	\$32.04	Refer to Analysis

Copy to:

[REDACTED]  
[REDACTED]  
[REDACTED]

Copy to:

[REDACTED]  
[REDACTED]  
[REDACTED]