

MAXIMUS FEDERAL SERVICES, INC.

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



INDEPENDENT BILLING REVIEW FINAL DETERMINATION

~~March 11, 2016~~ March 23, 2016

[Redacted]
[Redacted]
[Redacted]
[Redacted]

Amendment
Corrected Claim Line Table
Bullet 3 added
Bullet 6 expounded

IBR Case Number:	CB16-0000207	Date of Injury:	06/01/2007
Claim Number:	[Redacted]	Application Received:	02/12/2016
Assignment Date:	03/03/2016		
Claims Administrator:	[Redacted]		
Date(s) of service:	03/30/2015 – 04/01/2015		
Provider Name:	[Redacted]		
Employee Name:	[Redacted]		
Disputed Codes:	DRG 0834		

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: Contract Agreement
- Other: CCR § 5307.11, § 9789.22

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 additional remuneration for DRG 0834 submitted for dates of service 03/30/2015 – 04/01/2015.**
- Final EOR indicates reimbursement as per contractual obligation.
- Provider Indicates 90% of Billed Charges Due.
- Contractual Agreement, **page 2, item 13** reflects the following contractual provision: **‘Nothing in this Agreement shall be construed as to require Payer to reimburse a greater amount** or to cover more services than if this Agreement were not in effect, “ indicating reimbursement subject to applicable sections of the OMFS for non-facility charges and the PPO Contract for facility related charges.
- **Exempt Facilities** under the OMFS are exempt from **Facility Only** reimbursement **but are not exempt** from reimbursement under various OMFS fee schedules such as DMEPOS, Laboratory, OMFS RBRVS, etc.
- **DRG 0834** Bill Type 011 represents Facility Charges. As such, reimbursement for this **Exempt Facility** is subject to reasonable cost reimbursement *(Billed Amount x State Cost to Charge (Provider’s Cost to Charge Not Provided, default to state CCR) x WC Multiplier) or Contractual Agreement.
 - **LC § 9789.22.** “Payment of Inpatient Hospital Service... (k) The following are **exempt** from the maximum reimbursement formula set forth in Section **9789.22**.... (a) and are paid on a reasonable cost basis.”

- **EOR's reflect charges reviewed by a cost management service resulting in discount greater than 90%** reflected on Amendment of Contractual Agreement. However, **Contractual Agreement page 2, section 14, Item 2, indicates a "cost management services" as one of the terms of the Contractual Agreement.** Although Item 1 of the Fee Schedule Amendment reflects "90 % of the Provider's Billed Charges," **item 2** of this Amendment states the following: "Other Terms and Conditions. Except as otherwise set forth in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect," indicating **page 2, section 14, Item 2,** applies to DRG 0834 dates of service 03/30/2015 – 04/01/2015.
- **CCR § 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.**
- Fee schedule agreement with Cost Management Service, indicated on EOR's, not submitted for IBR.
- **Based on the aforementioned documentation and guidelines, additional reimbursement is not indicated for DRG 0834.**

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: DRG 0834

Date of Service: 03/30/2015 – 04/01/2015					
In Patient					
Service Codes	Provider Billed	Plan Allowed	Dispute Amount	Workers' Comp Allowed Amt.	Notes
DRG 0834	\$78,396.58	\$61,983.59	\$16,412.99	\$61,983.59	Refer to Analysis

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

