

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
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INDEPENDENT BILLING REVIEW FINAL DETERMINATION

March 23, 2016

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

IBR Case Number:	CB16-0000367	Date of Injury:	03/15/1992
Claim Number:	[REDACTED]	Application Received:	03/02/2016
Claims Administrator:	[REDACTED]		
Date(s) of service:	09/01/2015 – 09/15/2015		
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	DRG 945		

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 \$64,977.59 in additional reimbursement for a total of \$65,172.59. A detailed explanation of the decision is provided later in this letter.

The Claim Administrator is required to reimburse the Provider a total of \$65,172.59 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

[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
- 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 additional outlier remuneration for DRG 945 for dates of service 09/01/2015 – 09/15/2015.**
- The Claims Administrator indicated reimbursement based in accordance to the “Recommendation based on facility cost data (cost-to-charge) plus reasonable markup of 20%.”
- Bill Type “117,” Hospital Inpatient,” Provider is an Acute Care **Rehabilitation Hospital**.
- **§ 9789.22.** Payment of Inpatient Hospital Services (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**.
 - (6) **Rehabilitation hospital** or distinct part rehabilitation units of an acute care hospital or a psychiatric hospital or distinct part psychiatric unit of an acute care hospital
- **CCR § 9792.5.7. Requesting Independent Bill Review** (b) Unless as permitted by section 9792.5.12, independent bill review shall only be conducted if the only dispute between the provider and the claims administrator is the amount of payment owed to the provider. Any other issue, including issues of contested liability or the applicability of a contract for reimbursement rates under Labor Code section 5307.11 shall be resolved before seeking independent bill review. Issues that are not eligible for independent bill review **shall include**:
 - (1) **The determination of a reasonable fee for services** where that category of services is not covered by a fee schedule adopted by the Administrative Director **or a contract** for reimbursement rates under Labor Code section **5307.11**.

- **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.
- Submitted Amendment to the Contract between the two parties indicates **“**Inpatient Outlier Provision: If charges for a single uninterrupted patient stay, less charges reimbursed under a separate rate category, are greater than \$30,000.00, reimbursement for that stay only will be at a 15% discount from charges in lieu of the per diem rate.”**
- As there is no provision for “reasonable cost” in the submitted contract, the Contract Rate is lesser than the billed amount so this, without the “reasonable cost” provision is the reimbursable amount.
- Opportunity for Claims Administrator to Dispute Eligibility sent on 3/3/2016. A response from Claims Administrator was not received for this review.
- Based on aforementioned guidelines and PPO Contract Agreement, additional reimbursement of DRG 945 is warranted.

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: DRG 945

Date of Service: 09/01/2015 – 09/15/2015					
Hospital					
Service Code	Provider Billed	Plan Allowed	Dispute Amount	Workers’ Comp Allowed Amt.	Notes
DRG 945	\$105,278.01	\$24,508.72	\$64,977.59	\$89,486.31	\$64,977.59 Due to Provider

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]