

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
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Fax: (916) 605-4280



INDEPENDENT BILLING REVIEW FINAL DETERMINATION

June 9, 2016

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

IBR Case Number:	CB16-0000791	Date of Injury:	01/29/1988
Claim Number:	[Redacted]	Application Received:	05/12/2016
Assignment Date:	05/31/2016		
Claims Administrator:	[Redacted]		
Date(s) of service:	10/27/2015 – 10/27/2015		
Provider Name:	[Redacted]		
Employee Name:	[Redacted]		
Disputed Codes:	J2274-KD (NDC 62991140307), J3490-KD (NDC 38779196806), and J0735-KD (NDC 38779056104)		

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 \$1,497.35 in additional reimbursement for a total of \$1,692.35. A detailed explanation of the decision is provided later in this letter.

The Claim Administrator is required to reimburse the Provider a total of **\$1,692.35** 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,
MAXUMUS

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
- Contractual Agreement: 85% OMFS
- 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 J3490-KD NDC 38779196806; J2275-62991140305; J3490-KD and J0735-KD NDC 38779056104 for date of service 10/27/2015.**
- Claims Administrator denied codes with the following rationale:
 - Lacks information which is needed for adjudication.
 - The supply chars was disallowed as it was not adequately identified, please resubmit with invoice, we cannot review this service without necessary documentation, please submit with indicated as soon as possible. (Please submit copy of invoice.).
- Opportunity to Dispute Eligibility Communicated with the Claims Administrator on 05/10/2016; response not yet received.
- Contractual Agreement reflects “85%” OMFS.
- Unless otherwise indicated per contractual obligation, invoices are not required for pain medication injected into pain pumps under the OMFS for date of service 10/27/2015.
- Documentation indicates medication was dispensed and compounded by a Pharmacy, not the Provider.
- Red Book indicates Bulk Package for the following NDC’s:
 - **NDC 38779-1968-06 Sufentanil Powder in grams**
 - **NDC 62991-1403-05 Morphine Sulfate Powder in grams**
 - **NDC 38779-0561-04 Clonidine HCL Powder in grams.**

- Codes J3490, J2275 & J0735 do not adequately represent documented medication as the **reported NDC numbers reflect the pharmaceuticals in powder** form and documentation reflects the medication is compounded in nature. As such, The NDCs and Metric Decimal Units (MDU) for **the grams of powder utilized** are considered for determination. Utilizing “per unit” for presented J codes would result in a higher dose of the actual medication represented in the documentation.
- **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.
- As reflected on medication label on the “**Intrathecal Pump Maintenance and Administration Record**,” for Date of Service indicates **pharmacy dispensed** medication to Provider in compound form **Rx #342398** to be **administered** into implantable pump:
 - NDC 38779-1968-06 Sufentanil Powder 700 mcg/ml
 - NDC 62991-1403-05 Morphine Sulfate 20 mg/ml
 - NDC 38779-0561-04 Clonidine HCL 200 mcg/ml
- Grams of powder utilized and then compounded into one concentration by Pharmacy for a volume of **22mls**:
 - NDC 38779-1968-06 Sufentanil Powder = 0.0154 grams powder product
 - NDC 62991-1403-05 Morphine Sulfate = 0.44 grams powder product
 - NDC 38779-0561-04 Clonidine HCL = 0.0044 grams of powder product
- Documentation indicates the Provider **administered** above compound into intrathecal pain pump. CMS 1500 does not reflect additional procedural services, as such, one **injection fee** applies.
- **Based on the aforementioned documentation and guidelines, reimbursement is warranted for compounded medication: J3490-KD NDC 38779196806, J2275-KD NDC 62991140305 and J0735-KD NDC 38779056104**

The table on page 4 describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: J3490-KD NDC 38779196806 & J2275-KD NDC 62991140305

Date of Service: 10/27/2015						
Pharmacy						
Service Code	Provider Billed	Plan Allowed	Dispute Amount	Units	Workers' Comp Allowed Amt.	Notes
J3490-KD NDC 38779196806; J2275-KD NDC 62991140305	\$13,850.00	\$0.00	\$1,765.57	-	\$1,497.35	PPO Contract Compound Medication Refer to Analysis

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