

INDEPENDENT BILLING REVIEW FINAL DETERMINATION

April 13, 2016

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

| | | | |
|-----------------------|-------------------------|-----------------------|------------|
| IBR Case Number: | CB16-0000415 | Date of Injury: | 09/25/2015 |
| Claim Number: | [Redacted] | Application Received: | 03/11/2016 |
| Assignment Date: | 04/01/2016 | | |
| Claims Administrator: | [Redacted] | | |
| Date(s) of service: | 10/12/2015 – 10/15/2015 | | |
| Provider Name: | [Redacted] | | |
| Employee Name: | [Redacted] | | |
| Disputed Codes: | DRG 560 | | |

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 \$8,903.17 in additional reimbursement for a total of \$9,098.17. A detailed explanation of the decision is provided later in this letter.

The Claim Administrator is required to reimburse the Provider a total of **\$9,098.17** 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, MD, MPH
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
- Official Medical Fee Schedule
- Negotiated contracted rates: N/A
- National Correct Coding Initiatives

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 of DRG 570 submitted for dates of service 10/12/2015 – 10/15/2015.**
- Provider indicates “acute care” status and is thereby exempt from OMFS thus contractual rate of “26%” or “reasonable rate” applies.
- OMFS Reasonable Charge Maximum Allowable may be determined with the following formula:
 - $BA \text{ (Billed Amount)} \times CCR \text{ (Cost to Charge Ratio)} \times 1.26 \text{ (WC Multiplier)} = \text{Reasonable Fee Maximum Allowable.}$
 - DRG 560 = \$4,115.73 Reasonable Charge
- Opportunity to Dispute Eligibility communicated with Claims Administrator on 03/14/2016. Response received on 03/16/2015. The Claims Administrator indicates Provider is does not have a licensed acute care unit. Additional reimbursement of \$8,903.17, indicating full OMFS DRG Amount has been paid for this claim.
- Rehabilitation credentials could not be verified. OMFS Allowable utilized
- Administrative Rules § 9789.22. Payment of Inpatient Hospital Services: (a) Unless otherwise provided by applicable provisions of this fee schedule, the maximum payment for inpatient medical services shall be determined by multiplying 1.20 by the product of the hospital’s composite factor and the applicable DRG weight and by making any

adjustments required by this fee schedule. The fee determined under this subdivision shall be a global fee, constituting the maximum reimbursement to a hospital for inpatient medical services not exempted under this section. However, preadmission services rendered by a hospital more than 24 hours before admission are separately reimbursable.

- DRG 560 = 1.0756 x 10148.6538879554 x 1.2 = **\$13,099.07 OMFS Allowable**
- The Claims Administrator indicates “an additional payment of \$8,903.17” has been submitted to Provider. Check Number, Document Number and Date of \$8,903.17 transaction could not be identified for this review.
- **Based on the aforementioned documentation and guidelines, additional reimbursement for DRG 560 is warranted.**

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: DRG 560

| Date of Service: 10/12/2015 – 10/15/2015 | | | | | |
|---|------------------------|---------------------|-----------------------|-----------------------------------|--|
| Inpatient Services | | | | | |
| Service Code | Provider Billed | Plan Allowed | Dispute Amount | Workers’ Comp Allowed Amt. | Notes |
| DRG 560 | \$82,604.47 | \$4,195.90 | \$10,174.97 | \$13,999.07 | \$8,903.17 Due Provider Refer to Analysis |

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]