MDR Tracking Number: M5-03-0342-01

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective January 1, 2002 and Commission Rule 133.305 and 133.308 titled Medical Dispute Resolution by Independent Review Organizations, the Medical Review Division assigned an IRO to conduct a review of the disputed medical necessity issues between the requestor and the respondent.

The IRO reviewed inpatient hospitalization rendered on 3-25-02 that was denied based upon "U".

The Medical Review Division has reviewed the IRO decision and determined that **the requestor did not prevail** on the issues of medical necessity. Consequently, the requestor is not owed a refund of the paid IRO fee.

In accordance with §413.031(e), it is a defense for the carrier if the carrier timely complies with the IRO decision.

Based on review of the disputed issues within the request, the Medical Review Division has determined that **medical necessity was not the only issue** to be resolved.

This dispute also contained services that were not addressed by the IRO and will be reviewed by the Medical Review Division.

On April 17, 2003, the Medical Review Division submitted a Notice to requestor to submit additional documentation necessary to support the charges and to challenge the reasons the respondent had denied reimbursement within 14 days of the requestor's receipt of the Notice.

Based upon the EOB, the only line item denied based upon "U" was Room-Board/Semi. The requestor obtained preauthorization approval for 5-Day inpatient stay. Therefore, the 5 preauthorized dates of service are 3/20/02, 3/21/02, 3/22/02, 3/23/02, and 3/24/02. Since preauthorization was obtained for these dates, the insurance carrier is in violation of Rule 133.301(a) by retrospectively denying preauthorized treatment. These dates will be reviewed in accordance with *Acute Care Inpatient Hospital Fee Guideline.*

The total amount billed for inpatient hospitalization from 3/20/02 to 3/25/02 was $67,588.73.

The total amount billed for date 3/25/02 was $1063.04. Since date of service 3/25/02 was not found to be medically necessary, $1063.04 will be deducted from total amount billed.

The total amount in dispute is $67,588.73 minus $1063.04 = $66,525.69.

Per Rule 134.401(c)(6)(A)(i), "To be eligible for stop-loss payment for the total audited charges for a hospital admission must exceed $40,000, the minimum stop-loss threshold."

The carrier reduced payment of the implantables based upon "M". Per Rule 134.401(c)(6), "Stop-Loss Method. Stop-loss is an independent reimbursement methodology established to ensure fair and reasonable compensation to the hospital for unusually costly services rendered during treatment to an injured worker. This methodology shall be used in place of and not in addition to the per diem based reimbursement system. The diagnosis codes specified in (c)(5) are exempt from the stop-loss methodology and the entire admission shall be reimbursed at a fair and reasonable rate." Therefore, the insurance carrier incorrectly paid for the implantables.

All other services rendered were denied based upon "F".

Per Rule 134.401(c)(6)(A)(iii), "If audited charges exceed the stop-loss threshold, reimbursement for the entire admission shall be paid using a Stop-Loss Reimbursement Factor (SLRF) of 75%.

Per Rule 134.401(c)(6)(A)(v), "Audited charges are those charges which remain after a bill review by the insurance carrier has been performed. Those charges which may be deducted are personal items (e.g., telephone, television). If an on-site audit is performed, charges for services which are not documented as rendered during the admission may be deducted. Items and services which are not related to the compensable injury may be deducted. The formula to obtain audited charges is as follows: Total Charges – Deducted Charges = Audited Charges.

Per Rule 134.401(c)(6)(B), "Formula. Audited Charges X SLRF = WCRA."

$66,525.69 X 75% = $49,894.27

The insurance carrier paid $11,682.90. The difference between appropriate reimbursement of $49,894.27 and amount paid of $11,682.90 = $38,211.37.

The requestor is entitled to additional reimbursement of $38,211.37.

This Decision is hereby issued this 22nd day of August 2003.

Elizabeth Pickle
Medical Dispute Resolution Officer
Medical Review Division

ORDER.

Pursuant to Sections 402.042,413.016, 413.031, and 413.019 the Medical Review Division hereby ORDERS the respondent, Texas Mutual Insurance Company, to remit $38,211.37 plus all accrued interest due at the time of payment to the requestor, HealthSouth Medical Center, within 20 days receipt of this order.

This Order is hereby issued this 22nd day of August 2003.

Judy Bruce, Director
Medical Review Division
Texas Workers' Compensation Commission

JB/ep

April 8, 2003

NOTICE OF INDEPENDENT REVIEW DECISION

RE: MDR Tracking #: M5-03-0342-01

___ has been certified by the Texas Department of Insurance (TDI) as an independent review organization (IRO). ___ IRO Certificate Number is 5348. Texas Worker's Compensation Commission (TWCC) Rule §133.308 allows for a claimant or provider to request an independent review of a Carrier's adverse medical necessity determination. TWCC assigned the above-reference case to ___ for independent review in accordance with this Rule.

___ has performed an independent review of the proposed care to determine whether or not the adverse determination was appropriate. Relevant medical records, documentation provided by the parties referenced above and other documentation and written information submitted regarding this appeal was reviewed during the performance of this independent review.

This case was reviewed by a practicing physician on the ___ external review panel. This physician is a board certified neurosurgeon. The ___ physician reviewer signed a statement certifying that no known conflicts of interest exist between this physician and any of the treating physicians or providers or any of the physicians or providers who reviewed this case for a determination prior to the referral to ___ for independent review. In addition, the ___ physician reviewer certified that the review was performed without bias for or against any party in this case.

Clinical History

This case concerns a 45 year-old female who sustained a work related injury on ___. The patient reported that while at work as a therapist, she was lifting a client when she felt a sharp pain in her low back. The patient underwent a 360 L5-S1 lumbar fusion with threaded bone cages, posterior fusion at L5-S1 with pedicle screws as well as matrix allograft. The preoperative diagnoses included disc disruption at L5-S1 and degeneration L5-S1.

Requested Services

Hospitalization and medical services from 3/20/02 through 3/26/02.

Decision

The Carrier's determination that these services were not medically necessary for the treatment of this patient's condition is upheld.

Rationale/Basis for Decision

The ___ physician reviewer explained that the documentation provided does not support the medical necessity of the hospitalization and medical services rendered 3/20/02 through 3/26/02. The ___ physician reviewer noted that the operative note included in the documentation provided, does not match the equipment utilized in the procedure. Therefore, the ___ physician consultant concluded that the hospitalization and medical services rendered from 3/20/02 through 3/26/02 were not medically necessary to treat this patient's condition.

Sincerely,

___