

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 the inpatient hospitalization rendered on 3/29/02 that was denied based upon "U". The IRO concluded that "it was medically necessary for the patient to remain in the hospital until approximately 6:00 PM on 3/29/02."

The Medical Review Division has reviewed the IRO decision and determined that the **requestor prevailed** on the issues of medical necessity. Therefore, upon receipt of this Order and in accordance with §133.308(q)(9), the Commission hereby orders the respondent and non-prevailing party to **refund the requestor \$650.00** for the paid IRO fee. For the purposes of determining compliance with the order, the Commission will add 20-days to the date the order was deemed received as outlined on page one of this order.

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 January 9, 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.

The requestor noted on the Table of Disputed Services that disputed dates of service were 3/25/02 to 3/30/02. A review of the submitted EOB only lists 3/25/02; however, under line item Room-Board/Semi it lists 5 units. Also, the total amount audited of \$59,476.12 is the total amount listed on the UB-92 for all dates. Therefore, all dates are eligible for review.

Based upon the EOB, the only line item denied based upon "U" was Room-Board/Semi. The requestor obtained preauthorization approval for 4-Day inpatient stat for PLIF with cages, rod and screws. Therefore, the 4 preauthorized dates of service are 3/25/02, 3/26/02, 3/27/02 and 3/28/02. 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 IRO concluded that treatment on 3/29/02 was medically necessary until approximately 6:00 PM. Therefore, the medical necessity of services rendered on 3/29/02 was supported. A review of the itemized statement indicated that on 3/30/02 and 4/1/02 the total amount billed was \$236.00. \$236.00 will be deducted from total amount billed to determine allowable disputed amount.

Based upon the EOB the total charges were \$59,476.12 for inpatient hospitalization. \$59,476.12 minus \$236.00 = \$59,240.12.

Per Rule 134.401(c)(6)(A)(i), to be eligible for stop-loss payment the total audited charges for a hospital admission must exceed \$40,000. \$59,240.12 exceeds \$40,000; therefore, the stop-loss methodology applies to this admission.

Based upon the EOBs the insurance carrier paid for Supply/Implants and Blood based upon fair and reasonable reimbursement. Per Rule 134.401(c)(6), Stop-loss methodology shall be used in place of and not in addition to the per diem based reimbursement system. The insurance carrier did not reimburse the provider based upon stop-loss methodology.

Based upon the EOB all other services, not listed above, were denied based upon "F".

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%.

$$75\% \text{ of } \$59,240.12 = \$44,430.09$$

The respondent reimbursed the requestor \$12,781.68. The difference between amount paid and SLRF amount is \$31,648.41 (\$44,430.09 minus \$12,781.68).

Therefore, the requestor is entitled to additional reimbursement of \$31,648.41.

This Decision is hereby issued this 12th day of August 2003.

Elizabeth Pickle
Medical Dispute Resolution Officer
Medical Review Division

ORDER.

Pursuant to §§402.042, 413.016, 413.031, and 413.019 of the Act, the Medical Review Division hereby ORDERS the respondent to pay \$31,648.41 for the unpaid medical fees in accordance with the fair and reasonable rate as set forth in Commission Rule 133.1(a)(8) plus all accrued interest due at the time of payment to the requestor within 20 days of receipt of this order. This Decision is applicable for dates of service 03-25-02 through 3-30-02 in this dispute.

This Order is hereby issued this 8th day of August 2003.

Judy Bruce, Director
Medical Dispute Resolution
Medical Review Division

IRO Certificate #4599

NOTICE OF INDEPENDENT REVIEW DECISION

December 9, 2002

Re: IRO Case # M5-03-0376

Texas Worker's Compensation Commission:

___ has been certified as an independent review organization (IRO) and has been authorized to perform independent reviews of medical necessity for the Texas Worker's Compensation Commission (TWCC). Texas HB. 2600, Rule133.308 effective January 1, 2002, allows a claimant or provider who has received an adverse medical necessity determination from a carrier's internal process, to request an independent review by an IRO.

In accordance with the requirement that TWCC assign cases to certified IROs, TWCC assigned this case to ___ for an independent review. ___ has performed an independent review of the proposed care to determine if the adverse determination was appropriate. For that purpose, ___ received relevant medical records, any documents obtained from parties in making the adverse determination, and any other documents and/or written information submitted in support of the appeal.

The case was reviewed by a physician who is Board Certified in Neurological Surgery. He or she has signed a certification statement attesting that no known conflicts of interest exist between him or her and any of the treating physicians or providers, or any of the physicians or providers who reviewed the case for a determination prior to referral to ___ for independent review. In addition, the certification statement further attests that the review was performed without bias for or against the carrier, medical provider, or any other party to this case.

The determination of the ___ reviewer who reviewed this case, based on the medical records provided, is as follows:

History

The patient is a 26-year-old female who fell and developed back pain which extended into her lower extremities. On 3/25/02 a posterior interbody fusion at L5-S1 was carried out along with a complete laminectomy at L5, S1 along with screws and plates with iliac crest bone used for grafting. The procedure required five hours of anesthesia and blood loss was fairly significant. The patient progressed reasonably well post operatively, and on post operative day three her drains were removed, the wounds showing no signs of infection. Ambulation was also initiated on that day. On 3/29/02 post operative day four, at 7:30 am the patient's IV anesthetic was discontinued, along with removal of the Foley catheter. The patient was given oral medication for pain. Discharge was planned the following morning, with the need of an elevated toilet seat for home use. The nursing notes for 3/29 indicate that the oral medications were effective and the patient was voiding normally without any major difficulty and her words were "OK."

Requested Service

Inpatient day 3/29/02

Decision

I agree with the carrier's decision to deny the requested inpatient day.

Rationale

It was medically necessary for the patient to remain in the hospital until approximately 6:00 P.M. on 3/29/02. At that point there was assurance that she was urinating well, oral medication was adequate, her wounds were OK, and dismissal could take place without problem. This opinion assumes that the evening of March 29, 2002 is the time in dispute, and I agree that the patient could have been dismissed.

This medical necessity decision by an Independent Review Organization is deemed to be a Commission decision and order.

Sincerely,