# MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERA	L INPORMATION					
Type of Requestor: HCP			Response Timely Filed?  Yes No			
Requestor's Name and Address HCA Texas Orthopedic Hospital			MDR Tracking No.: M4-05-0183-01			
3701 Kirby Drive, Suite	: 1288	TWCC N	TWCC No.:			
Houston, TX 7709-392	6	Injured En	Injured Employee's Name:			
Respondent's Name and GRAY INSURANCE C	Date of In	Date of Injury:				
1717 E LOOP N STE 333 PORTWAY PLAZA OFFICE BLDG			Employer's Name: Pat Tank Inc.			
HOUSTON TX 77029-4 Austin Commission Rep Box 19	4060	Insurance	Insurance Carrier's No.: 900000618			
PART II: SUMMA	RY OF DISPUTE AND	FINDINGS				
	RY OF DISPUTE AND of Service		Amoun	t in Disnute	Amount Due	
		FINDINGS - CPT Code(s) or Description	on Amoun	t in Dispute	Amount Due	
Dates	of Service			t in Dispute 8,568.08	Amount Due \$2,071.00	
Dates o From	of Service To	- CPT Code(s) or Description		_		
Dates o From	of Service To	- CPT Code(s) or Description		_		
Dates o From	of Service To	- CPT Code(s) or Description		_		
Dates o From	of Service To	- CPT Code(s) or Description		_		
Dates o From	of Service To	- CPT Code(s) or Description		_		

Based upon review by the insurance carrier, Gray Insurance Company, and its audit department, denied the claim alleging that the services rendered were for a non-covered procedure. Per Rule 134.401(c)(6)(A)(i)(iii), once the bill has reached the minimum stop-loss threshold of \$40K, the entire admission will be paid using the stop-loss reimbursement factor ("SLRF") of 75%. Per Rule 134.401(c)(6)(A)(v), the only charges that may be deducted from the total bill are those for personal items and those not related to the compensable injury. Moreover, Rule 134.401(c)(6)(A)(v) states what the carrier can deduct in the audit. The carrier should not confuse the carve-out items identified in section (c)(4) as items that can be deducted in an audit or paid separately. Therefore, reimbursement for the entire admission including charges for items in (c)(4) is calculated by the stop-loss reimbursement amount of 75% times the total audited charges. The implantables were a medically necessary part of the surgery performed. Therefore, pursuant to the TWCC fee guidelines, the claim pertaining to dates of service (11/12/03-11/17/03) is to be paid as follows:

Total Billable Charges	\$41,350.04
SLRF (75%)	10,337.51
Total Allowable	31,012.53
Amount paid	7,609.45
Balance Due	\$23,568.08

Our client does not agree with the position of the insurance carrier and is seeking assistance from the Medical Dispute Resolution for disposition of this fee reimbursement dispute in question.

### PART IV: RESPONDENT'S POSITION SUMMARY

Medical bills in excess of \$40,000 do not automatically qualify for stop-loss reimbursement. Rather, the per diem rate is the default and preferred method of reimbursement that must be employed unless the hospital justified use of the stop-loss method in a particular case. The stop-loss methodology may be allowed, but only if the \$40,000 threshold of "audited charges" is exceeded and then only "on a case-by-case" basis. Here, the initial \$40,000 threshold has not been exceeded. The "total charges" less "deducted charges" (including personal items, undocumented services, services unrelated to the compensable injury, duplicative charges, upcoded servies, unbundled services, implantables, orthotics, prosthetics, and pharmaceuticals in excess of \$250 per does), results in "audited charges" which do not exceed \$40,000. Cost-plus reimbursement for the above-referenced services is applicable as such are included in "deducted charges." Further, the Requestor is entitled to reimbursement for implantables (revenue codes 275, 276 and 278) and orthotics/prosthetics (revenue code 274) in the amount of \$1,791.79. This is based on the hospital's cost plus 10%. The Requestor may also be entitled to additional reimbursement for pharmaceuticals costing in excess of \$250 per dose. The Requestor must document the cost of such pharmaceuticals so Carrier may reimburse at cost plus 10%.

#### PART V: MEDICAL DISPUTE RESOLUTION REVIEW SUMMARY, METHODOLOGY, AND/OR EXPLANATION

This dispute relates to inpatient services provided in hospital setting with reimbursement subject to the provisions of Rule 134.401 (Acute Care Inpatient Hospital Fee Guideline). The hospital has requested reimbursement according to the stop-loss method contained in that rule. Rule 134.401(c)(6) establishes that the stop-loss method is to be used for "unusually costly services." The explanation that follows this paragraph indicates that in order to determine if "unusually costly services" were provided, the admission must not only exceed \$40,000 in total audited charges, but also involve "unusually extensive services."

After reviewing the documentation provided by both parties, it does **not** appear that this particular admission involved "unusually extensive services." Accordingly, the stop-loss method does not apply and the reimbursement is to be based on the per diem plus carveout methodology described in the same rule.

The total length of stay for this admission was 5 days (consisting of 0 days in an intensive care unit and 5 days for surgical). Accordingly, the standard per diem amount due for this admission is equal to \$5,590 (0 times \$1,560 plus 5 times \$1,118). In addition, the hospital is entitled to additional reimbursement for (implantables/MRIs/CAT Scans/pharmaceuticals) as follows: Requestor provided documentation for implantables in the amount of 1,628.90. Cost plus 10% = 1,791.79. Requestor billed the Respondent 5,877.44 for MRI's. The Respondent reimbursed at MAR in the amount of \$2,298.66.

Based on the facts of this situation, the parties' positions, and the application of the provisions of Rule 134.401(c), we find that the health care provider is entitled to a reimbursement amount for these services equal to \$9,680.45. Requestor billed \$41,350.04 and received payments in the amount of \$7,609.45..

## PART VI: COMMISSION DECISION AND ORDER

Based upon the review of the disputed healthcare services, the Medical Review Division has determined that the requestor is entitled to additional reimbursement in the amount of \$2,971.00. The Division hereby **ORDERS** the insurance carrier to remit this amount plus all accrued interest due at the time of payment to the Requestor within 20-days of receipt of this Order

Ordered by:

James Schneider	(
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04/19/05

Authorized Signature

Typed Name

Date of Order

#### PART VII: YOUR RIGHT TO REQUEST A HEARING

Either party to this medical dispute may disagree with all or part of the Decision and has a right to request a hearing. A request for a hearing must be in writing and it must be received by the TWCC Chief Clerk of Proceedings/Appeals Clerk within 20 (twenty) days of your receipt of this decision (28 Texas Administrative Code § 148.3). This Decision was mailed to the health care provider and placed in the Austin Representatives box on \_\_\_\_\_\_. This Decision is deemed received by you five days after it was mailed and the first working day after the date the Decision was placed in the Austin Representative's box (28) Texas Administrative Code § 102.5(d)). A request for a hearing should be sent to: Chief Clerk of Proceedings/Appeals Clerk, 7551 Metro Center Drive, Suite #100, Austin, Texas, 78744 or faxed to (512) 804-4011. A copy of this Decision should be attached to the request.

The party appealing the Division's Decision shall deliver a copy of their written request for a hearing to the opposing party involved in the dispute.

Si prefiere hablar con una persona in español acerca de ésta correspondencia, favor de llamar a 512-804-4812.

# PART VIII: INSURANCE CARRIER DELIVERY CERTIFICATION

I hereby verify that I received a copy of this Decision and Order in the Austin Representative's box.

Signature of Insurance Carrier: