

# MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

## PART I: GENERAL INFORMATION

|   |  |
|---|--|
| <b>Type of Requestor:</b> (x) HCP ( ) IE ( ) IC   | <b>Response Timely Filed?</b> ( ) Yes (x) No |
| Requestor's Name and Address<br>Doctor's Hospital Tidwell<br>730 N. Post Oak Road, Ste. #203<br>Houston, TX 77024   | MDR Tracking No.: M4-05-0805-01              |
|   | TWCC No.:                                    |
|   | Injured Employee's Name:                     |
| Respondent's Name and Address<br>STATE FARM FIRE & CASUALTY CO<br>8900 AMBERGLEN BLVD<br>AUSTIN TX 78729-1110<br>Austin Commission Representative<br>Box 21 | Date of Injury:                              |
|   | Employer's Name:                             |
|   | Insurance Carrier's No.: 900000227           |

## PART II: SUMMARY OF DISPUTE AND FINDINGS

| Dates of Service |         | CPT Code(s) or Description | Amount in Dispute | Amount Due |
|------------------|---------|----------------------------|-------------------|------------|
| From             | To      |                            |                   |            |
| 3/01/04          | 3/05/04 | Surgical Admission         | \$58,561.52       | \$0.00     |
|                  |         |                            |                   |            |
|                  |         |                            |                   |            |
|                  |         |                            |                   |            |

## PART III: REQUESTOR'S POSITION SUMMARY

This claim has been improperly denied by the carrier. The carrier is using a Per Diem payment methodology on this bill when it falls under the Stop Loss Methodology for reimbursement.

Per rule 134.401 (6) (i) Stop-Loss Method is an independent reimbursement methodology established to ensure fair and reasonable compensation to the hospital for unusually costly services rendered during treatment to the injured worker. This methodology shall be used in place of not in addition to the per diem based reimbursement system.

The carrier's auditor found the total charges allowed for these dates of services was \$117,868.69. Therefore 134.401 (6) (i) governs this dispute. 134.401 (6) (i) states that is the bill exceeds \$40,000.00 the entire bill is to be paid at 75% of the charges.

## PART IV: RESPONDENT'S POSITION SUMMARY

In a SOAH decision (Docket No. 453-03-0910.M4) the Administrative Law Judge (ALJ) concurred with the result of SOAH decision (Docket No. 453-00-2092.M4). The ALJ also concluded that the approach utilized by the insurance carrier in this case was consistent with the purpose of the rule, which is intended to ensure fair and reasonable compensation to the hospital for unusually costly services rendered during the treatment to an injured worker. Elsewhere, the rule states that the threshold was established to "ensure compensation for unusually extensive services required during an admission." Finally, the regulations must provide effective medical cost control pursuant to Section 413.011 (d) of the Act. The patient had surgery without any complications. The charges billed by the health care provider, are an obvious attempt to exceed the threshold, which would result in a higher payment via the stop loss methodology.

## 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 carve-out methodology described in the same rule.

The total length of stay for this admission was 4 days (consisting of 1 day of intensive care and 3 days for surgical). Accordingly, the standard per diem amount due for this admission is equal to \$4,914 (1 time \$1,560 and 3 times \$1,118). Requestor billed \$3,251.00. In addition, the hospital is entitled to additional reimbursement for (implantables/MRIs/CAT Scans/pharmaceuticals) as follows:

The documentation provided an invoice in the amount of \$22,660.00. Cost plus 10% = \$24,926.00.

Considering the reimbursement amount calculated in accordance with the provisions of rule 134.401(c) compared with the amount previously paid by the insurance carrier, we find that no additional reimbursement is due for these services. Insurance carrier paid \$29,840.00.

**PART VI: COMMISSION DECISION**

Based upon the review of the disputed healthcare services, the Medical Review Division has determined that the requestor is **not** entitled to additional reimbursement.

Findings and Decision by:

03-18-05

\_\_\_\_\_  
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, P.O. Box 17787, 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 in the Austin Representative's box.

Signature of Insurance Carrier: \_\_\_\_\_ Date: \_\_\_\_\_