# MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION	
Type of Requestor: ☐ HCP ☐ IE ☐ IC	<b>Response Timely Filed?</b> Yes No
Requestor's Name and Address HCA Healthcare 6000 NW Parkway, Suite 124 San Antonio, TX 78249	MDR Tracking No.: M4-05-0979-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address TML INTERGOVERNMENTAL RISK POOL	Date of Injury:
1821 RUTHERFORD LN STE 100 AUSTIN TX 78754-5163 Austin Commission Representative Box 19	Employer's Name: City of Yoakum
	Insurance Carrier's No.: 900000932

## PART II: SUMMARY OF DISPUTE AND FINDINGS

<b>Dates of Service</b>		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	То	Cr r Code(s) or Description	Amount in Dispute	Amount Due
5/25/04	6/01/04	Inpatient Hospitalization	\$20,286.82	\$4,637.00

## PART III: REQUESTOR'S POSITION SUMMARY

Total Billed charges exceed \$40,000, therefore stop-loss rates apply. Implants are not eligible to be audited out of the total charges per TWCC guidelines. Only patient convenience items are eligible for audit.

## PART IV: RESPONDENT'S POSITION SUMMARY

This is a medical fee dispute arising from an impatient hospital surgical admission, dates of service 5/25/04-6/01/04. Requestor billed a total of \$46,401.55. The Requestor asserts it is entitled to reimbursement in the amount of \$34,801.16, which is 75% of the total charges. Requestor has not shown entitlement to this alternative, exceptional method of calculating reimbursement and has not otherwise properly calculated the audited charges.

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, pharmaceuticals in excess of \$250 per dose), 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". Using the per diem method, this 7 day surgical admission qualified for \$3,354(\$1,118\*3 days) in reimbursement. Preauthorization was not requested for the remaining days. 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 \$7,264.00. 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 a 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 carve-

out methodology described in the same rule. The total length of stay for this admission was 7 days (consisting of 0 days in an intensive care unit and 7 days for surgical). Accordingly, the standard per diem amount due for this admission is equal to \$7,826 (0 times \$1,560 plus 7 times \$1,118). Based on information provided by the Respondent, pre-authorization was requested for the surgery with no request with length of stay. No documentation was provided by the Respondent that the pre-authorization issued by Corvel limited the length of stay to three days when it approved the requested surgery; therefore, we find that the seven day hospital stay was included in the pre-authorization. In addition, the hospital is entitled to additional reimbursement for (implantables/MRIs/CAT Scans/pharmaceuticals) as follows: Requestor provided documentation for implantables for the amount of \$6,754.00 Cost plus 10% = \$\$7,429.40 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 \$4.637.00. 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 \$4,637.00. 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 04/19/05 Typed Name Date of Order Authorized Signature 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: Date: