

## 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 Vista Medical Center Hospital 4301 Vista Road Pasadena, Texas 77503	MDR Tracking No.:                      M4-05-1768-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address Twin City Fire Insurance Company 9020 II Capital of Texas HWY, Suite 555 Austin, Texas 78759 Box 27	Date of Injury:
	Employer's Name:                      Dollar Tree Stores, Inc.
	Insurance Carrier's No.:              690C 83831

### PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
12/15/03	12/19/03	Implantables	\$48,932.00	\$4,433.60

### PART III: REQUESTOR'S POSITION SUMMARY

“According to the literal interpretation of TWCC Rule 134.401 and the further clarification by the TWCC from QRL 01-03, a Carrier may not ‘deduct’ any carve-out costs listed in Rule 134.401(c)(4). Further, additional reimbursement for implants or any other ‘carve-out costs’ shall only be reimbursed at cost plus 10% if the stop-loss threshold is NOT met. Therefore, in this instance, the Carrier has severely under-reimbursed the billed charges, despite the clear language in the Texas Administrative Codes and further clarification by the TWCC in QRL 01-03.”

### PART IV: RESPONDENT'S POSITION SUMMARY

Carrier's response was untimely.

### 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 additional 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 the provider and given the multiple procedures related to posterior interbody fusion; it does not appear that this particular admission involved “unusually extensive services.” Accordingly, the stop-loss method does not apply.

The crucial issue in this situation relates to the determination of the usual and customary charge that directly impacts the determination of the implantable charges. The carrier has not provided a good explanation regarding their position and the resulting charge amount for implantables; the hospital has not provided any reasonable explanation to show that their charges for the implantables represent usual and customary charges.

In determining the appropriate reimbursement for the implantables, it must be noted that the health care provider did submit invoices to the Commission. It is clearly noted that the implantables were used during the surgical intervention and some amount is due to the health

care provider. In this case, the requestor billed \$48,932.00 for the implantables.

Based on a review of numerous medical disputes and our experience, the average markup for implantables in many hospitals is 200%. Regarding the implantables, it appears that the carrier has found that the usual and customary charge would be equal to \$12,192.40. Multiplying the implantable charges, \$11,084.00 by 200% the average markup for hospitals (\$11,084.00 x 200% = \$22,168.00) x 75% (the stop-loss reimbursement factor) results in a workers' compensation reimbursement amount equal to \$16,626.73 - \$12,192.40 already paid by the carrier = \$4,433.60 in additional reimbursement.

Considering the reimbursement amount calculated in accordance with the provisions of rule 134.401(c), we find that additional reimbursement is due for these services.

**PART VI: COMMISSION DECISION**

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 \$4,433.60. 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 this Order.

Ordered by:

Michael Bucklin

05/10/05

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 and Order in the Austin Representative's box.

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