

MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: (x) HCP () IE () IC	Response Timely Filed? () Yes (x) No
Requestor's Name and Address Vista Hospital of Dallas 4301 Vista Rd. Pasadena, TX 77504	MDR Tracking No.: M4-05-1818-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address PACIFIC EMPLOYERS INSURANCE CO 9901 BRODIE LN STE 160 PMB 225 AUSTIN TX 78748-5612 Austin Commission Representative Box 15	Date of Injury:
	Employer's Name:
	Insurance Carrier's No.: 900000132

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
2/09/04	2/13/04	Surgical Admission	\$43,277.74	\$0.00

PART III: REQUESTOR'S POSITION SUMMARY

TWCC Rule 134.401 provides the rules regarding reimbursement for Acute Care In-patient Hospital Fee services. Specifically, reimbursement consists of 75% of remaining charges for the entire admission, after a Carrier audits a bill. See Tex. Admin. Code Section 133.401 (c). This figure is presumptively considered to be "fair and reasonable" in accordance with the preamble of TWCC Rule 134. See 22 TexReg 6265. Further, the TWCC stated that the stop-loss threshold increases hospital reimbursement and will ensure fair and reasonable rates for hospitals and ensure access to quality health care for injured workers. See id. At 6279.

The Carrier is allowed to deduct any personal items and may only deduct non-documented services and items and services, which are not related to the compensable injury. At that time, if the total audited charges for the entire admission are below \$40,000, the Carrier may reimburse at a "per diem" rate for the hospital services. However, if the total audited charges for the entire admission are at or above \$40,000, the Carrier shall reimburse using the "Stop-Loss Reimbursement Factor" (SLRF). The SLRF of 75% is applied to the "entire admission."

According to the literal interpretation of the 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 Code and further clarification provided by the TWCC in QRL 01-03.

PART IV: RESPONDENT'S POSITION SUMMARY

Acute Care Inpatient Hospital Fee Guideline. (5) A four day surgical admission under the Acute Care Inpatient Hospital Fee Guideline (ACIHFG) would be reimbursed at the rate of \$1,118.00 per day plus: (1) implantables, orthotics and prosthetics at cost plus ten (10%) percent; (2) MRIs, CT Scans, Hyperbaric oxygen, blood and air ambulance at a fair and reasonable rate; (3) pharmaceuticals greater than \$250.00 per dose shall be reimbursed at cost plus ten (10%) percent. 28 TEX. ADMIN. COD 134.401(c) (1) and (4). Therefore, a four day inpatient stay billed in the amount of \$67,322.98 is unreasonable. Payment by Respondent of the billed amount would be a violation of Texas Labor Code Section 413.016(b).

Burden of Proof (11). Requestor has failed to establish that the billed for services were "unusually extensive" because of atypical patient characteristics or procedures for the same DRG and that the required services were "unusually costly" because the general reimbursement rule of per diem plus carve-outs does not adequately compensate Requestor for the costs associated with that admission. Requestor must also show that the medical services proposed are reasonable and necessary for proper treatment of the injuries sustained.

(13) Resustor has failed to establish that the billed for services were "unusually extensive" and "unusually costly."

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 4 days for surgical). Accordingly, the standard per diem amount due for this admission is equal to \$4,472 (4 times \$1,118). The requestor billed \$3,505.00. In addition, the hospital is entitled to additional reimbursement for (implantables/MRIs/CAT Scans/pharmaceuticals) as follows

Documentation was provided for implantables in the amount of \$3,363.00. Cost plus 10% = \$3,699.30.

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. The amount paid was \$35,282.04.

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:

Gail A. Anderson

03-10-05

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 in the Austin Representative’s box.

Signature of Insurance Carrier: _____ Date: _____