

MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: (X) HCP () IE () IC	Response Timely Filed? (X) Yes () No
Requestor's Name and Address Leon E. Pegg, Attorney for Holloway & Gumbert on behalf of Spring Branch Medical Center 3701 Kirby Drive, Ste. 1288 Houston, TX 77098	MDR Tracking No.: M4-05-1928-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address Box 14 Mid-Century Insurance Company Stone Loughlin & Swanson, LLP P.O. Box 30111 Austin, TX 78755	Date of Injury:
	Employer's Name: Bratton Interests Inc
	Insurance Carrier's No.: WT013896

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
11/10/03	11/12/03	Inpatient Hospitalization	\$28,695.04	\$5,258.03

PART III: REQUESTOR'S POSITION SUMMARY

The request for medical dispute resolution pertains to medical services and treatment provided from 11/10/03 to 11/12/03. To date a total of \$5,106.67 has been paid in connection with this claim. It is our position that reimbursement was improperly determined pursuant to TWCC Rule 134.401(c)(6) which allows for reimbursement at the stop-loss rate of 75% of audited charges when those charges exceed \$40,000.00. The carrier ignored the stop-loss rule by paying this claim using the per diem reimbursement methodology. Under Rule 134.401(c)(6), this claim would be reimbursed at the stop-loss rate of 75% of audited charges, resulting in a reimbursement of \$33,801.71. Based on the clear wording of the rules of the TWCC and recent SOAH decisions, the carrier is liable for an additional sum owed in the amount of \$28,695.04.

PART IV: RESPONDENT'S POSITION SUMMARY

Reimbursement in this case should be pursuant to the standard per diem reimbursement method. The stop-loss method for outlier cases does not apply as the audited charges do not exceed \$40,000 and the services provided to the claimant were not unusually extensive and costly. Rather, this case involves a routine hospital stay in the provider performed routine services for a routine operation. There is no justification for reimbursement of implants at 75% of the provider's grossly inflated charges. Reimbursement for implants at cost plus ten percent provides reimbursement that is consistent with the Act's statutory standards.

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

This dispute relates to inpatient services provided in a 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 must also involve "unusually extensive services."

The surgical interventions for this admission included a two-level cervical fusion. The 2-day length of stay is consistent with codes contained on the UB-92 and DRG 520.

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 surgical admission was 2 days (consisting of 2 days for surgical care and 0 days in intensive care). Accordingly, the standard per diem amount due for this admission is equal to \$2,236.00 (2 times \$1,118, the surgical per diem). In addition, the hospital is entitled to additional reimbursement for implantables as follows:

The requestor billed for charges relating to implantables in the total amount of \$14,779.46, and received payments in the amount of \$2,870.67. The records reviewed did not contain documentation pertaining to the actual costs of the implantables.

Based on a review of numerous medical disputes and our experience, the average mark-up for implantables in many hospitals is 200%. This average mark-up has been applied to the charged amount derived from the UB-92 in order to determine if the requestor is entitled to further remuneration. Based on a charge of \$14,779.46, it appears that the cost for these implantables was approximately \$7,389.73 (charged amount divided by 200%). Since the reimbursement for implantables is cost plus 10%, the amount due for the implantables would equal \$8,128.70.

Therefore, pursuant to Rule 134.401, this dispute is to be paid as follows:

\$2,236.00 – per diem for a 2-day surgical stay
+ \$8,128.70 – implantables
= \$10,364.70 (Sub-Total)
- \$5,106.67 – paid by carrier
= \$5,258.03 - Total Amount Due

We find that the requestor is entitled to a reimbursement for this dispute in the amount of \$5,258.03.

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 \$5,258.03. 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:

Allen C. McDonald, Jr.

June 9, 2005

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 06/09/2005. 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: _____