



## 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  Southwest General Hospital 7400 Barlite Blvd. San Antonio, TX 78224	MDR Tracking No.: M4-05-1985-01
	TWCC No.:
	Injured Employee's Name:
Respondent's  Old Republic Insurance Co. Rep. Box # 2	Date of Injury:
	Employer's Name: Clayton Homes Inc.
	Insurance Carrier's No.: 11451142

### PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
3-18-04	3-21-04	Inpatient Hospitalization	\$28,578.55	\$3,728.45

### PART III: REQUESTOR'S POSITION SUMMARY

“Claim should be paid at 75% of bill charges without any provision for carve-out of implants.”

Principle Documentation:

1. Requestor's position statement
2. Operative Report
3. Discharge Summary Report
4. EOB
5. UB-92

### PART IV: RESPONDENT'S POSITION SUMMARY

“The provider has failed to meet it's burden of proof to establish that it's charges and the amounts requested are “fair and reasonable” and comply with Section 413.011(b) of the Texas Labor Code and Commission rules. The Carrier's reimb. Complies with the requirements of Section 413.011(b) of the Texas Labor Code and Commission rules, and is “fair and reasonable.”

Principal Documentation:

1. Respondent's position statement

### 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.”

Operative report indicates claimant underwent L5-S1 laminotomy, discectomy and foraminotomy; L5-S1 fusion; L4-5 laminotomy and foraminotomy; and instrumentation.”

The discharge summary indicates that patient did well postoperatively.

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 3 days (consisting of 3 days for surgical). Accordingly, the standard per diem amount due for this admission is equal to \$3,354.00 (3 times \$1,118.00). In addition, the hospital is entitled to additional reimbursement for (implantables/MRIs/CAT Scans/pharmaceuticals) as follows:

Cost invoices support charges of \$15,294.50. The Medical Review Division considers fair and reasonable reimbursement to be cost + 10% for implantables, resulting in a reimbursement for implantables of \$16,823.95.

The charge for surgical admission of \$3,354.00 + \$16,823.95 for implantables = \$20,177.95.

The insurance carrier paid \$16,449.50 for the inpatient hospitalization. The difference between amount paid and due = \$3,728.45.

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 additional reimbursement of \$3,728.45 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 of \$3,728.45.

Findings and Decision by:

\_\_\_\_\_  
Authorized Signature

Elizabeth Pickle

\_\_\_\_\_  
Typed Name

May 19, 2006

\_\_\_\_\_  
Date of Decision

## PART VII: YOUR RIGHT TO REQUEST A HEARING

Appeals of medical dispute resolution decisions and orders are procedurally made directly to a district court in Travis County [see Texas Labor Code, Sec. 413.031(k), as amended and effective Sept. 1, 2005]. An appeal to District Court must be filed not later than 30 days after the date on which the decision that is the subject of the appeal is final and appealable. The Division is not considered a party to the appeal.

**Si prefiere hablar con una persona en 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: \_\_\_\_\_

