

# MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

## PART I: GENERAL INFORMATION

<b>Type of Requestor:</b> (X) HCP ( ) IE ( ) IC	<b>Response Timely Filed?</b> (X) Yes ( ) No
Requestor's Name and Address SPINE HOSPITAL OF SOUTH TEXAS 18600 N. Hardy Oak Blvd. San Antonio, TX 78258-4206	MDR Tracking No.: M4-05-2023-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address <b>Box 19</b> TML INTERGOVERNMENTAL RISK POOL Jeremy Lord, Attorney Flahive, Ogden & Latson Post Office Drawer 13367 Austin, TX 78711	Date of Injury:
	Employer's Name: Del Rio Housing Authority
	Insurance Carrier's No.: T070300085769

## PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
07/28/04	07/30/04	Inpatient Hospitalization	\$25,435.35	\$2,235.97

## PART III: REQUESTOR'S POSITION SUMMARY

Requestor's rationale for increased reimbursement from the TWCC-60 states, "code used incorrectly for Fee Guideline MAR reductions. Carrier did not make "fair and reasonable" reimbursement and did not make consistent reimbursements. Requestor also stated that the carrier denied payment with PEC "M" for each line item of billed charges. However, several of the billed charges had a MAR per the TWCC Fee Guidelines and were not reimbursed by the Carrier for the "MAR" amounts. Further, the Carrier has inconsistently reimbursed for billed charges with a corresponding "MAR."

## PART IV: RESPONDENT'S POSITION SUMMARY

Requestor billed a total of \$57,178.37. The Requestor asserts it is entitled to reimbursement in the amount of \$42,883.79, 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. Carrier provided a reference to SOAH Docket No. 453-03-0910.M4, which in part, concluded that 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. In this case, the initial \$40,000 threshold has not been exceeded. The "total charges" less "deducted charges" (including personal items, undocumented services, services unrelated to the compensable injury, duplicative charges, upcoded services, unbundled services, implantables, orthotics, prosthetics and 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 2 day surgical admission qualifies for \$2236 in reimbursement. Further, the Requestor is entitled to reimbursement for implantables in the amount of \$15,212.26, based on the hospital's cost plus 10%. Carrier has already reimbursed the Requestor \$17,448.26.

## 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 hospital's operative procedure report indicate the following surgical procedures were performed: decompressive laminectomy L4-5 and L5-S1, bilateral L4-5 and L5-S1 medial facetectomies with bilateral L5 and S1 foraminotomies and subarticular decompression, L5-S1 subtotal discectomy with removal of extruded disk fragment, L5-S1 posterior lumbar interbody fusion with BMP, insertion L5-S1 bilateral PCR cages, L5-S1 bilateral pedicle instrumentation Legacy screws, L5-S1 posterolateral intertransverse fusion with autograft BMP and harvesting of autograft. The surgeon noted that the patient was taken to recovery room in satisfactory condition and tolerated the procedure well.

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) based upon a preoperative diagnosis of L5-S1HNP with radiculopathy, L5-S1 partially extruded disk fragment, L5-S1 grade 1 spondylolisthesis with segmental instability and L4-5, L5-S1 neuroforaminal narrowing with radiculopathy. Accordingly, the standard per diem amount due for this admission is equal to \$2236 (2 times \$1,118, the surgical per diem). In addition, the hospital is entitled to additional reimbursement for implantables/MRIs/CAT Scans/pharmaceuticals as follows:

The documentation provided invoices totaling \$15,862.03. Since the reimbursement for implantables is cost plus 10%, the amount due for the implantables would equal \$17,448.23.

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

\$ 2236.00 – per diem for a 2-day surgical stay  
+ \$17,448.23 – implantables  
= \$19,684.23 -- (Sub-Total)  
- \$17,448.26 – paid by carrier  
= \$ 2,235.97 -- (Total Amount Due)

We find that the requestor is entitled to a reimbursement for this dispute in the amount of \$2,235.97.

**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 \$2,235.97. 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.

May 24, 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 54. 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 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: \_\_\_\_\_