

# 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.: M4-05-2042-01	
		TWCC No.:	
		Injured Employee's Name:	
Respondent's Name and Address <b>Box 19</b> AMERICAN HOME ASSURANCE CO Jeremy Lord, Attorney Flahive, Ogden & Latson Post Office Drawer 13367 Austin, TX 78711		Date of Injury:	
		Employer's Name: Chelsea Residential Group Inc	
		Insurance Carrier's No.: 077094910	

## PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
07/27/04	07/31/04	Inpatient Hospitalization	\$28,724.84	\$5,105.37

## PART III: REQUESTOR'S POSITION SUMMARY

Requestor's rationale for increased reimbursement from the TWCC-60 states, "Payment is not in accordance with TWCC Fee Guideline. Payment is not in accordance with the Acute Inpatient Stop-Loss portion of the Fee Guideline. Used by carrier for charges for which no "MAR" is established."

The carrier improperly denied or reduced payment in this instance pursuant to Texas Administrative Code (TAC) Sections 133 and 134. The payment exception codes provided on an EOB indicate payment pursuant to the TAC and the Commission instructions. However, the carrier has not provided payment pursuant to the TWCC Fee Guidelines in effect at the time of the date of service. Specifically, TWCC Rule 134.301(c)(6) requires payment of 75% of total audited charges for billed charges that reach the stop-loss threshold of \$40,000.

## PART IV: RESPONDENT'S POSITION SUMMARY

Requestor billed a total of \$59,986.25. The Requestor asserts it is entitled to reimbursement in the amount of \$44,989.65, 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 4 day surgical admission qualifies for \$4472 in reimbursement.

Further, the Requestor is entitled to reimbursement for implantables in the amount of \$11,792.86, based on the hospital's cost plus 10%. Carrier has already reimbursed the Requestor \$16,264.86.

## 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: L3-4, L4-5 laminectomy, bilateral medial facetectomies, nerve root foraminotomies and subarticular decompression, L4-5 subtotal discectomy and lumbar interbody fusion with BMP, L4-5 PCR cage insertion and pedicle instrumentation, L4-5 bilateral posterolateral intertransverse fusion with autograft BMP and harvesting of autograft. The surgeon noted that the patient 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 4 days (consisting of 4 days for surgical care and 0 days in intensive care) based upon a preoperative diagnosis of L4-5 HNP with radiculopathy, L4-5 segmental instability and L3-4, L4-5 lateral recess narrowing. Accordingly, the standard per diem amount due for this admission is equal to \$4472 (4 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 \$15,362.03. Since the reimbursement for implantables is cost plus 10%, the amount due for the implantables would equal \$16,898.23.

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

\$ 4,472.00 – per diem for a 4-day surgical stay  
+ \$16,898.23 – implantables  
= \$21,370.23 -- (Sub-Total)  
- \$16,264.86 – paid by carrier  
= \$ 5,105.37 -- (Total Amount Due)

We find that the requestor is entitled to a reimbursement for this dispute in the amount of \$5,105.37.

**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 **\$5,105.37**. 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 \_\_\_\_\_. 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: \_\_\_\_\_