

MDR Tracking Number: M4-05-2049-01 (Previously M4-03-1707-01)

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Division regarding a medical fee dispute between the requestor and the respondent named above. This dispute was received on 6-10-03.

This AMENDED FINDINGS AND DECISION supersedes M4-03-1707-01 rendered in this Medical Payment Dispute involving the above requestor and respondent.

The Medical Review Division's Decision of 10-8-04 was appealed and subsequently withdrawn by the Medical Review Division applicable to a Notice of Withdrawal of 11-1-04. An Order was rendered in favor of the Requestor. The respondent disagreed with the MDR and appealed the decision.

I. DISPUTE

Whether there should be reimbursement for inpatient hospitalization from 3-28-02 through 4-1-02.

II. FINDINGS

- a. The requestor billed \$41,000.10 for the inpatient admission.
- b. The respondent reimbursed the requestor \$8,280.81 for inpatient admission.
- c. The total amount in dispute is \$22,469.27.
- d. The respondent denied reimbursement based upon "F – The charges for this hospitalization have been reduced based on the Fee Schedule allowance; and This contracted Hospital has agreed to reduce this charge below fee schedule or usual and customary charges for your business."

III. RATIONALE

- a. Rule 134.401(c)(6)(A)(i), "To be eligible for stop-loss payment for the total audited charges for a hospital admission must exceed \$40,000, the minimum stop-loss threshold." The total amount billed exceeds the \$40,000.00 threshold; however, the insurance carrier audited the bill and made reductions that result in an audited charge below \$40,000.00.

- b. In this dispute, the carrier carved out the charges for the implantables and applied the per-diem (§134.401 (c)(1)). Based upon records, the requestor was paid:

TX FS per diem of 4 dates X \$1,118.00 = \$4,472.00 minus 10% PPO discount + Implants at \$4728.90 and a 10% PPO discount = \$4256.01. For a total of \$8,280.81.

Per Rule 134.401(c)(4)(A)(i) this action is allowed only when stop loss is not in effect with a total audited bill below \$40,00.00.

- b. Audit reductions are made per Rule 133.1, 133.301 and 134.401. The insurance carrier reduced reimbursement based upon, "This contracted Hospital has agreed to reduce this charge below fee schedule or usual and customary charges for your business."
- c. According to Rule 134.401(b)(2)(A) all hospitals are required to bill usual and customary. The requestor failed to support that charges billed were usual and customary, therefore, carrier's audit stands and audited charges do not exceed the \$40,000.00 stop-loss threshold. Therefore, additional reimbursement is not recommended.

V. DECISION

Based upon the review of the disputed healthcare services within this request, the Division has determined that the requestor **is not** entitled to reimbursement for inpatient hospitalization.

The above Findings and Decision are hereby issued this 22nd day of November 2004.

Elizabeth Pickle
Medical Dispute Resolution Officer
Medical Review Division