

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 SPINE HOSPITAL OF SOUTH TEXAS 18600 N. Hardy Oak Blvd. San Antonio, TX 78258-4206	MDR Tracking No.: M4-05-2055-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address Box 50 TPCIGA for LEGION INSURANCE CO James M. Loughlin, Attorney Stone Loughlin & Swanson, LLP Post Office Box 30111 Austin, TX 78755	Date of Injury:
	Employer's Name: Rural Metro Corporation
	Insurance Carrier's No.: 001881011179WC01

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
07/14/04	07/16/04	Inpatient Hospitalization	\$30,048.51	\$3,575.00

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

Attachment for Explanation of Benefit states, F – Provider has been reimbursed under the standard per diem reimbursement method of the 1997 In-patient Fee Guideline rather than the stop loss method because the stop loss provisions do not apply to this case. In order for stop loss method to apply: 1. Total audited charges must exceed \$40,000, 2. Service must be unusually costly and extensive. In this case, the audited charges do not exceed \$40,000. Reducing the implantable charges to cost plus 10% results in total audited charges of \$28,596.81. Also as stated in letter from Attorney James Loughlin, This case does not involve an unusually lengthy stay, unusually extensive services by Provider, or services that were unusually costly to Provider. In other words, it is not the type of outlier case for which the TWCC developed the stop-loss reimbursement method. Rather, this case involves a routine hospital stay in which Provider performed routine services for a routine operation. The Provider has not justified the use of the stop-loss exception in this case by demonstrating that the admission required unusually extensive and costly services.

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 indicates the following surgical procedures were performed: Harvesting of local bone graft, laminectomy L5-S1 segments with medial one-third facetectomy, laminectomy of the L4-5 segments with medial one-third facetectomies, lumbar disk herniation L5-S1 with posterior lumbar interbody fusion, disk excision L4-5 with posterior lumbar interbody fusion, symmetry bone instrumentation, L5-S1, symmetry bone instrumentation, L4-5, bilateral posterolateral intertransverse fusion, L4-5 and L5-S1 with local bone graft and Collagraft bone supplementation, silhouette pedicle screw instrumentation, L4-5 and L5-S1.

The surgeon stated that the patient returned to the recovery room in good condition and there were no complications.

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 lumbar disk herniation L5-S1 and L4-5, post laminectomy syndrome L4-5 and L5-S1. 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 \$12,961.40. Since the reimbursement for implantables is cost plus 10%, the amount due for the implantables would equal \$14,257.54.

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
+ \$14,257.54 – implantables
= \$16,493.54 -- (Sub-Total)
- \$12,918.54 – paid by carrier
= \$ 3,575.00 -- (Total Amount Due)

We find that the requestor is entitled to a reimbursement for this dispute in the amount of \$3,575.00.

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 in the amount of **\$3,575.00**. 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 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: _____