

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 HCA Methodist Specialty and Transplant Hospital Methodist Healthcare System 6000 NW Parkway, Suite 124 San Antonio, TX 78249		MDR Tracking No.: M4-05-2323-01	
		TWCC No.:	
		Injured Employee's Name:	
Respondent's Name and Address Texas Mutual Insurance Company P.O. Box 12029 Austin, TX 78711-2029		Date of Injury:	
		Employer's Name: SWSD Living Partnership	
		Insurance Carrier's No.: 99D0000364313	

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
05/18/04	05/21/04	Inpatient Hospitalization	\$27,921.43	\$12,369.16

PART III: REQUESTOR'S POSITION SUMMARY

"Total billed charges exceed \$40,000.00. Therefore, stop-loss rates apply. Per TWCC contract, implants are not considered audited charges."

PART IV: RESPONDENT'S POSITION SUMMARY

Carrier provided a reference to SOAH Docket No. 453-03-0910.M4, which in part, concluded that the insurance carrier has the right to audit the hospital's bills and can reduce charges for implantables to cost plus 10%. The carrier additionally indicated no information had been provided to support that the services rendered were unusually costly or extensive. The provider billed \$58,893.52 total for this 3-day hospitalization, and carrier reimbursed \$13,998.71.

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 medical records indicate the following surgical procedures were performed: laminectomy and discectomy at L4-5 with interbody fusion using Peek cages and pedicle screw fixation with exploration of the L5-S1 disk and foraminotomy of the nerve roots.

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 preauthorized surgical admission was 3 days (consisting of 3 days for surgical care and 0 days in intensive care) based upon a diagnosis of degenerative joint disease of the left knee. Accordingly, the standard per diem amount due for this admission is equal to \$3,354.00 (3 times \$1,118, the surgical per diem). In addition, the hospital is entitled to additional reimbursement for implantables/MRIs/CAT Scans/pharmaceuticals.

In this particular case, the health care provider supplied the invoices associated with the implants. These invoices show that the total cost for the implants was equal to \$20,921.70, so the provider is also entitled to \$23,013.87 (cost plus 10%) for these items.

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

\$3,354.00 – per diem for a 3-day surgical stay
+ \$23,013.87 – implantables
= \$26,367.87 (Sub-Total)
- \$13,998.71 – paid by carrier
= \$12,369.16 (Total Amount Due)

We find that the requestor is entitled to an additional reimbursement for this dispute in the amount of \$12,369.16.

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 \$12,369.16. 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 McDonald

May 20, 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 05/20/2005. 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: _____