

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 Vista Medical Center Hospital 4301 Vista Road Pasadena, Texas 77504	MDR Tracking No.: M4-05-2353-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address Lumbermens Mutual Casualty Company P O Box 162443 Westlake Station Austin, Texas 78716 Box 42	Date of Injury:
	Employer's Name: Kellogg Brown & Root, Inc.
	Insurance Carrier's No.: 4600061114

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
12/18/03	12/31/03	Hospital Admission	\$40,490.63	\$1,488.00

PART III: REQUESTOR'S POSITION SUMMARY

"According to the literal interpretation of TWCC Rule 134.401 and the further clarification by the TWCC from QRL 01-03, a Carrier may not 'deduct' any carve-out costs listed in Rule 134.401(c)(4). Further, additional reimbursement for implants or any other 'carve-out costs' shall only be reimbursed at cost plus 10% if the stop-loss threshold is NOT met. Therefore, in this instance, the Carrier has severely under-reimbursed the billed charges, despite the clear language in the Texas Administrative Codes and further clarification by the TWCC in QRL 01-03."

PART IV: RESPONDENT'S POSITION SUMMARY

"The provider has failed to meet its burden of proof to establish that its charges and the amount requested are 'fair and reasonable', and comply with Section 413.011 (b) of the Texas Labor Code and Commission rules. The carrier's reimbursement complies with the requirement of Section 413.011(b) of the Texas Labor Code and Commission rules, and is 'fair and reasonable'."

PART V: MEDICAL DISPUTE RESOLUTION REVIEW SUMMARY, METHODOLOGY, AND/OR EXPLANATION

This dispute relates to inpatient services provided in hospital setting with reimbursement subject to the provisions of Rule 134.401 (Acute Care Inpatient Hospital Fee Guideline). The hospital has requested additional 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 also involve "unusually extensive services."

After reviewing the information provided by the provider, 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 methodology described in the same rule. The operative report indicates that this was a chronic postoperative wound infection with chronic draining sinus. The operative report also indicates the patient was taken to recovery in good condition.

The carrier made reimbursement based on per diem for the 13-day stay \$13,046.00(13 x \$1,118 = \$14,534.00 per diem). The carrier did not reimburse correctly per diem. Therefore, additional reimbursement in the amount of \$1,488.00 is recommended (13-day stay x \$1,118.00 = \$14,534.00 - \$13,046.00 already paid by the carrier = \$1,488.00).

Therefore, based on the facts of this situation, the parties' positions, and the application of the provisions of Rule 134.401(c), we find that the health care provider is entitled to additional reimbursement in the amount of \$1,488.00.

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 \$1,488.00. 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 this Order.

Ordered by:

Michael Bucklin

05/10/05

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 and Order in the Austin Representative's box.

Signature of Insurance Carrier: _____ Date: _____