

MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: <input checked="" type="checkbox"/> HCP <input type="checkbox"/> IE <input type="checkbox"/> IC	Response Timely Filed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Requestor's Name and Address Vista Hospital of Dallas 4301 Vista Road Pasadena, TX 77504	MDR Tracking No.: M4-05-2671-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address LIBERTY INSURANCE CORP PO BOX 40460 HOUSTON TX 77240-0460 Austin Commission Representative Box 28	Date of Injury:
	Employer's Name: Culinaire Internation Inc.
	Insurance Carrier's No.: 900000267

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
5/28/04	5/31/04	Inpatient Hospitalization	\$51,205.48	\$26,152.48

PART III: REQUESTOR'S POSITION SUMMARY

TWCC Rule 134.401 provides the rules regarding reimbursement for Acute Care In-patient Hospital Fee services. Specifically, reimbursement consists of 75% of remaining charges for the entire admission, after a Carrier audits a bill. See Tex. Admin. Code Section 133.401 (c). This figure is presumptively considered to be "fair and reasonable" in accordance with the preamble of TWCC Rule 134. See 22 TexReg 6265. Further, the TWCC stated that the stop-loss threshold increases hospital reimbursement and will ensure fair and reasonable rates for hospitals and ensure access to quality health care for injured workers. See id. At 6279.

The Carrier is allowed to deduct any personal items and may only deduct non-documented services and items and services, which are not related to the compensable injury. At that time, if the total audited charges for the entire admission are below \$40,000, the Carrier may reimburse at a "per diem" rate for the hospital services. However, if the total audited charges for the entire admission are at or above \$40,000, the Carrier shall reimburse using the "Stop-Loss Reimbursement Factor" (SLRF). The SLRF of 75% is applied to the "entire admission."

According to the literal interpretation of the 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 Code and further clarification provided by the TWCC in QRL 01-03.

PART IV: RESPONDENT'S POSITION SUMMARY

No position summary was received from the insurance carrier.

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 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 documentation provided by both parties, it **does** appear that this particular admission involved “unusually extensive services.” In particular, this admission resulted in a hospital stay of 3 days based upon a 2-stage 360 degree fusion and decompression L5-S1. Accordingly, the stop-loss method does apply and the reimbursement is to be based on the stop-loss methodology.

In determining the total audited charges, it must be noted that the insurance carrier has indicated some question regarding the charges for the implantables. The requestor billed \$65,466.00 for the implantables. The carrier paid \$19,735.10 for the implantables based on a cost plus 10% approach. The key issue is what amount would represent the usual and customary charges for these implantables in determining the total audited charges. The requestor provided the Commission with documentation on the actual cost of implantables or how their charges were derived in the amount of \$16,031.00.

Based on a review of numerous medical disputes and our experience, the average markup for implantables in many hospitals is 200%. Since the requestor presented documentation supporting their cost or charge, we will apply this average mark-up to the cost amount to determine the amount to use in the total audited charges. Based on a cost of \$16,031.00 multiplied by the average mark-up of 200%, this results in an audited charge for implantables equal to \$32,062.00.

The total audited charges associated with this admission equals \$96,163.70. This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers’ compensation reimbursement amount equal to \$72,122.78. The Requestor billed the Respondent \$129,567.70 and received payments of \$45,970.30.

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 a reimbursement amount for these services equal to \$26,152.48.

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 \$26,152.48. 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

04/19/05

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, 7551 Metro Center Drive, Suite #100, 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 and Order in the Austin Representative's box.

Signature of Insurance Carrier: _____ Date: _____