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 T. Daniel Hollaway, Attorney On Behalf of HCA Texas Orthopedic Hospital 3701 Kirby Drive, Suite 1288 Houston, TX 77098-3926	MDR Tracking No.: M4-05-3552-01 TWCC No.: Injured Employee's Name:
Respondent's Name and Address ACE AMERICAN INSURANCE COMPANY Austin Commission Representative Box 15	Date of Injury: Employer's Name: American Builders & Contractor Insurance Carrier's No.: C290C1890031

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
01/20/04	**02/02/04**	**Inpatient Hospitalization**	**$21,444.42**	**$21,444.42**

PART III: REQUESTOR'S POSITION SUMMARY

Requestor states per stop-loss threshold as total charges exceed $40K. Calculation of stop-loss reimbursement is $137,803.11 (total billed) X SLRF (75%) = $103,352.33 total allowable. Based upon review by the insurance carrier, ACE USA ("ACE"), and its audit department, alleges that the aforementioned claim has been properly paid. The carrier should not confuse the carve-out items identified in section (c)(4) as items that can be deducted in an audit or paid separately. Therefore, reimbursement for the entire admission including charges for items in (c)(4) is calculated by the stop-loss reimbursement amount of 75% times the total audited charges. Therefore, the fees paid by ACE do not conform to the reimbursement section of Rule 134.401.

PART IV: RESPONDENT'S POSITION SUMMARY

The carrier failed to submit a summary response. Carrier paid: $74,222.64 on 03/09/04 and supplemental payment 04/19/04 of $7,685.27 for Implants for a total of $81,907.91. Carrier's EOB of 04/19/04 indicates that previous recommendation(s) will stand as they were defined and no additional recommendation is due based on TWCC Medical Fee Guidelines/Rules, and Explanation of Reduction Code "O" – Denial after Reconsideration.

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." This admission resulted in a hospital stay of 13 days based upon an admitting diagnosis of

right infected distal tibial nonunion with exposed bone, status post treatment at outside facility by other physicians for a severe distal tibial fracture, and retained external fixator, right tibia. Additionally the patient underwent the following procedures: on 01/20/04 – partial excision and craterization of right distal tibia, irrigation and debridement of skin, subcutaneous tissue, muscle and bone, right distal tibia, removal of external fixator, placement of antiobiotic beads to right distal tibia infected cavity; on 01/22/04 – partial excision and craterization, antibiotic bead exchange of right distal tibia, irrigation and debridement of skin, subcutaneous tissue, muscle and bone, pin sites and wire sites of the right lower extremity; on 01/26/04 – partial excision and craterization, intramedullary reaming for debridement, antiobiotic bead exchange, irrigation and debridement of the right tibia; on 01/27/04 – treatment of right distal tibial nonunion with autogenous posterior iliac crest bone graft, oteoplasty shortening of the right tibia, application of Ilizarov external fixator, particial excision and craterization, irrigation and debridement, removal of antiobiotic beads to the right tibia; on 01/28/04 – decortication and bone graft setting of the right distabl tibial cavity defect. Accordingly, the stop-loss method does apply and the reimbursement is to be based on the stop-loss methodology.

The total audited charges associated with this admission equals $137,803.11. This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers' compensation reimbursement amount equal to $103,352.33. The requestor billed the Respondent $137,803.11 and received payments of $81,907.91.

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 $21,444.42.

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 $ **21,444.42** . 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 2, 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, Mail Stop 35, 7551 Metro Center Dr., 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 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: _____