

# MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

## PART I: GENERAL INFORMATION

<b>Type of Requestor:</b> (x) HCP    ( ) IE    ( ) IC	<b>Response Timely Filed?</b> ( ) Yes    (x) No
Requestor's Name and Address Spring Branch Medical Center c/o Hollaway & Gumbert 3701 Kirby Dr., Ste. 1288 Houston, TX 77098	MDR Tracking No.: M4-05-3965-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address Atlantic Mutual Insurance Co. c/o Flahive, Ogden & Latson Box 19	Date of Injury:
	Employer's Name: Pevco Systems International
	Insurance Carrier's No.: 21922444

## PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
01/29/04	02/02/04	Inpatient Hospitalization	\$22,934.07	\$0.00

## PART III: REQUESTOR'S POSITION SUMMARY

Position Summary states in part, "...Position Summary states in part, "... To date, a total of \$35,610.95 has been paid in connection with this claim. It is our position that reimbursement was improperly determined pursuant to the acute care inpatient hospital fee guidelines of the Texas Workers' Compensation Commission ('TWCC'). Specifically on the dates January 29, 2004 through February 2, 2004, [injured worker] received treatment at our client's facility relating to spinal surgery/ Because [injured worker's] admission was inpatient, this claim would be reimbursed pursuant to TWCC Rule 134.401 entitled 'Acute Care Inpatient Hospital Fee Guideline.' According to Rule 134.401(c)(6), TWCC, this claim would then be reimbursed at the stop-loss rate of 75% as the total audited charges exceeded the minimum stop-loss threshold of \$40,000. The TWCC established the stop-loss method as an independent reimbursement methodology established to ensure fair and reasonable compensation to the hospital for unusually extensive services rendered during treatment to an injured worker. Pertinent medical records, which provide the basis of the unusually extensive serviced rendered to [injured worker] are enclosed..."

## PART IV: RESPONDENT'S POSITION SUMMARY

The Respondent did not submit a Position Summary.

## 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 4 days based upon the number of procedures performed during the operative session, which includes, decompression, discectomy, reduction of spondylolisthesis and fusion with instrumentation L4 to the sacrum. Accordingly, the stop-loss method does apply and the reimbursement is to be based on the stop-loss methodology.

The total charges on the UB-92 is \$78,060.03; the total audited charges listed on the TWCC-60 Table of Disputed Services is \$58,545.02 with the amount in dispute being \$22,934.07.

Based on a review of numerous medical disputes and our experience, the average markup for implantables in many hospitals is 200%. Since the requestor did not present any documentation supporting their cost or charge, we will apply this average mark-up to the cost amount derived from the carrier's payment in order to determine the amount to use in the total audited charges. Based on a reimbursement of \$9,559.00, it appears that the carrier found that the cost for the implantables was \$8,690.00. This amount multiplied by the average mark-up of 200% results in an audited charge for implantables equal to \$17,389.00.

The total audited charges associated with this admission equals \$62,247.00 (\$78,060.00 - \$33,202.00 = \$44,858.00 + \$17,389.00)

(implantables at cost plus 200%)). This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers' compensation reimbursement amount equal to \$46,685.25.

According to the Table of Disputed Services the Requestor received payments in the amount of \$35,610.95. 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 \$11,074.30 for these services.

**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 \$11,074.30. 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

04/11/05

Authorized Signature

Typed Name

Date of Order

Decision by:

Marguerite Foster

04/11/05

Authorized Signature

Typed Name

Date of Decision

**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 and Order in the Austin Representative's box.

Signature of Insurance Carrier: \_\_\_\_\_ Date: \_\_\_\_\_