MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

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M4-05-4123-01
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Trinity Industries Inc.
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PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		- CPT Code(s) or Description	Amount in Dispute	Amount Due
From	То	Transfer of Description	Amount in Dispute	Amount Duc
2/09/04	2/11/04	Inpatient Hospitalization	\$31,391.03	\$0.00

PART III: REQUESTOR'S POSITION SUMMARY

Per TWCC Rule 134.401 Section 6; when charges reach a total of \$40,000 the entire claim is to be considered at the stop-loss allowance of 75%. Based on this rule there is to be no exclusions due to charges reaching the stop-loss threshold, therefore total billed charges should be considered at the stop loss allowance. Furthermore, please be advised that implant invoices are not required to be provided for Stoploss claims as they are not utilized for the Stoploss reimbursement methodology. We are aware of past SOAH Hearing determinations to allow carving out implant charges to then determine the Stoploss threshold, however feel this is not in line with the TWCC Guidelines, nor feel that this method has been established as "Fair and Reasonable" reimbursement for the implants or a Stoploss admission over \$40,000. Furthermore, on June 14, 2004 SOAH reviewed the same Stoploss issue and made a determination that stipulates "Under 28 TAC 134.401 (c)(6), hospitals do not need to show that surgery was otherwise unusually costly or unusually extensive, beyond showing that the properly audited charges met the stop-loss threshold." And the decision further stipulates that..., a carrier may not impose their own "fair and reasonable" rate for implantables. And the Guideline does not set a reimbursement rate for implantables for all purposes. Therefore, "cost plus 10%" reimbursement for implants is not and should not be used as standardized reimbursement for implants. This facility was awarded Stoploss reimbursement at this level of Appeal. This case sets precedence and is Law... We also note, a PPO noted to be utilized on the room charge line item of the billing only. This is incorrect usage of this PPO. The PPO referenced is Health Payors Organization, in which we do have a PPO contract with, however this contract is strictly a 20% discount off total billed charges, and has no contract language referencing discounts off TWCC or allowing only a single line item charge to be discounted and the rest of the bill be paid per another payment methodology. Your EOB also references a "Focus" PPO, in which Trinity Medical Center does not have a contract with. Please provide additional reimbursement for our claim per TWCC Stoploss guidelines at 75% billed charges or per correct PPO language of billed charges less a 20% discount.

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 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 **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 carveout methodology described in the same rule. The total length of stay for this admission was 2 days (consisting of 0 days in an intense care unit and 2 days for surgical). Accordingly, the standard per diem amount due for this admission is equal to \$2,236 (0 times \$1,560 plus 2 times \$1,118). In addition, the hospital is entitled to additional reimbursement for (implantables/MRIs/CAT Scans/pharmaceuticals) as follows: No documentation was provided by the Requestor. The Requestor billed for \$53,883.65 and received payments for \$9,013.16. Considering the reimbursement amount calculated in accordance with the provisions of rule 134.401(c) compared with the amount previously paid by the insurance carrier, we find that no additional reimbursement is due for these services. PART VI: COMMISSION DECISION Based upon the review of the disputed healthcare services, the Medical Review Division has determined that the requestor is **not** entitled to additional reimbursement. Findings and Decision by: 04/14/05 Gail A. Anderson Typed Name Date of Order Authorized Signature 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 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:			