

MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: () HCP () IE () IC	Response Timely Filed? (x) Yes () No
Requestor's Name and Address HCA Texas Orthopedic Hospital c/o Hollaway & Gumbert 3701 Kirby Dr., Ste. 1288 Houston, TX 77098	MDR Tracking No.: M4-05-4186-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address American Home Assurance Co. c/o Flahive, Ogden & Latson Box 19	Date of Injury:
	Employer's Name: Lazer Energy Co., Inc.
	Insurance Carrier's No.: 077094146

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
02/17/04	02/26/04	Inpatient Hospitalization	\$14,276.52	\$0.00

PART III: REQUESTOR'S POSITION SUMMARY

Position Summary states in part, "...Based upon review by the insurance carrier, AIG Claim Services, Inc. ('AIG'), and its audit department, alleges that the aforementioned claim has been properly paid. On the contrary, specifically, per rule 134.401(c)(6)(A)(i)(iii), once the bill has reached the minimums top-loss threshold of \$40K, the entire admission will be paid using the top-loss reimbursement factor ('SLRF') of 75%. Per Rule 134.401(c)(6)(A)(v), the only charges that may be deducted from the total bill are those for personal items... and those not related to the compensable injury. Moreover, Rule 134.401(c)(6)(A)(v) states what the carrier can deduct in the audit. 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. The implantables were a medically necessary part of the surgery performed. Therefore, the fees paid by AIG do not conform to the reimbursement section of Rule 134.401.. Our client does not agree with the position of the insurance carrier and is seeking assistance from the Medical Dispute Resolution for the disposition of this fee reimbursement dispute in question..."

PART IV: RESPONDENT'S POSITION SUMMARY

Position Summary states in part, "...Rule 134.401(c)(6)... There is no evidence submitted by the hospital demonstrating that the services provided by the hospital were unusually extensive. This was routine admission for a nonunion of an ulna fracture. The fracture was stabilized by an open surgery, and the employee spent nine days in the hospital on an antibiotic regimen. It was a simple procedure with a simple follow up by the hospital. Secondly, there is no evidence that the services provided by the hospital were unusually costly to the hospital. The carrier is entitled to audit and reduce the hospital bill per TWCC rule 133.301... Using the per diem method, this 9 day surgical admission qualifies for \$10,062.00 in reimbursement. See 28 TAC §134.401(c)(4)© Further, the Requestor is entitled to reimbursement for implantables... and orthotics/prosthetics... in the amount of \$4088.70... Having already reimbursed Requestor \$55,214.65, the Carrier has reimbursed Requestor an amount great than or equal to the amount that would be calculated in accordance with the above-described TWCC Rules..."

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 9 days based upon a right infected ulnar nonunion, a segmental bone defect of the right ulna, irrigation and debridement of skin, subcutaneous tissue, muscle and bone, antibiotic bead exchange and a 15 cm complex closure of the right ulnar. 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 \$98,859.90; the total audited charges listed on the TWCC-60 Table of Disputed Services is \$74,144.93 with the amount in dispute being \$14,276.52.

The total audited charges associated with this admission equals \$57,630.49 (\$74,144.73 - \$24,008.44 (implantables) = \$50,136.49 + \$7,494.00 (implantable invoice cost of \$3,747.00 x 200%). This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers' compensation reimbursement amount equal to \$43,222.87 (57,630.49 x 75%).

According to the Table of Disputed Services and a submitted EOB the Requestor received payment in the amount of \$52,453.92. 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 not entitled to additional reimbursement amount 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 not entitled to additional reimbursement.

Decision by:

Marguerite Foster

04/13/05

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 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: _____