

# MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

## PART I: GENERAL INFORMATION

|   |  |  |  |
|---|--|--|--|
| <b>Type of Requestor:</b> (X) HCP ( ) IE ( ) IC   |  | <b>Response Timely Filed?</b> (X) Yes ( ) No |  |
| Requestor's Name and Address<br><br>Advanced Practice, Inc. on behalf of<br>Baylor Medical Center at Grapevine<br>17101 Preston Road, Suite 180-S<br>Dallas Texas 75248 |  | MDR Tracking No.: M4-05-4338-01              |  |
|   |  | TWCC No.:                                    |  |
|   |  | Injured Employee's Name:                     |  |
| Respondent's Name and Address<br><br>TML-IRP c/o Flahive, Ogden & Latson<br>505 W. 12 <sup>th</sup><br>Austin Texas 78701   |  | Date of Injury:                              |  |
|   |  | Employer's Name:                             |  |
|   |  | Insurance Carrier's No.: T080300086058       |  |

## PART II: SUMMARY OF DISPUTE AND FINDINGS

| Dates of Service |          | CPT Code(s) or Description   | Amount in Dispute | Amount Due  |
|------------------|----------|------------------------------|-------------------|-------------|
| From             | To       |                              |                   |             |
| 02/13/04         | 02/28/04 | Emergency surgical admission | \$45,637.89       | \$45,637.89 |
|                  |          |                              |                   |             |
|                  |          |                              |                   |             |

## PART III: REQUESTOR'S POSITION SUMMARY

Hospital is disputing, and requests proper reimbursement per the Stop-Loss clause of the TWCC hospital fee guidelines at 75% of audited charges. Carrier only paid two per diems and gave no consideration to the fact that this was a Stop-Loss claim. This was an emergency admission that does not require authorization; Stop-Loss guidelines should apply.

|                         |                    |
|-------------------------|--------------------|
| Total Billable Charges: | \$63,831.85        |
| SLRF (75%):             | <u>X</u> 00.75     |
| Total Allowable:        | \$47,873.89        |
| Minus Amount Paid:      | <u>\$ 2,236.00</u> |
| Balance Due:            | \$45,637.89        |

## Part IV: RESPONDENT'S POSITION SUMMARY

Carrier preauthorized two days of stay for this knee repair and the claim was reimbursed for two surgical per diem days at \$2,236.00. Requestor has not show entitlement to the alternative exceptional Stop-Lost method of calculating reimbursement and carrier made no consideration for a Stop-Loss claim.

The per diem rate is the default and preferred method of reimbursement that must be employed unless the hospital justifies use of the Stop-Loss method in a particular case. There is no evidence submitted by the hospital demonstrating that the services provided by the hospital were unusually extensive or unusually costly. The carrier is entitled to audit and reduce the hospital bill. Inflated invoices do not create unusual costs; they simply create inflated prices. Using the per diem method, this day surgical admission qualifies for \$2236.00 in reimbursement.

## PART V: MEDICAL DISPUTE RESOLUTION REVIEW SUMMARY, METHODOLOGY, AND/OR EXPLANATION

This dispute relates to hospital inpatient services with reimbursement subject to the provisions of Rule 134.401 (Acute Care Inpatient Hospital Fee Guideline). In this dispute, the hospital has requested reimbursement according to the Stop-Loss method contained in the rule [134.401(b)(1)(H)] due to "unusually costly services". Rule 134.401(c)(6)(i & ii) establishes that the stop-loss method is to be used when both the audited charges for a hospital admission exceed \$40,000 and when there are "unusually extensive services" during that admission.

After review of the documentation provided by both parties, it **does** appear that during this particular admission, “unusually extensive services” were provided. In particular, this emergency admission, for management of pain control status post right knee surgery, resulted in a hospital stay of 16 days; and, during the 16-day stay, two surgical Irrigation and Debridements were performed on the patient’s right knee due to infection. These factors demonstrate that “unusually extensive services” were provided during the 16-day admission. In addition, the charges for the 16-day stay were billed at \$63,831.85, exceeding the \$40,000 threshold. [The criteria in TWCC rules 133.1(7)(A), for definition of “emergency”, and 134.600(b)(1)(A), for preauthorization, are also met in this case.] By meeting both criteria for Stop-Loss reimbursement, the use of the Stop-Loss methodology is justified.

Accordingly, TWCC determines that the Stop-Loss methodology is to be used for reimbursement in this case. The total audited charges associated with this admission equals \$63,831.85. This amount multiplied by the Stop-Loss Reimbursement Factor (75%) results in a workers’ compensation reimbursement amount equal to \$47,873.89. The carrier already has paid \$2,236.00.

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 further reimbursement amount for these services equal to \$45,637.89.

**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 \$45,637.89. 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 3, 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 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 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: \_\_\_\_\_