

# 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  Twelve Oaks Medical Center c/o Hollaway & Gumbert 3701 Kirby Dr., Ste. 1288 Houston, TX 77098-3926	MDR Tracking No.: M4-05-4613-01
	TWCC No.:
	Injured Employee's Name:
Respondent Mid-Century Insurance Co. Rep. Box # 14	Date of Injury:
	Employer's Name: McKinzey Bond Inc.
	Insurance Carrier's No.: WT012256

## PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
2-24-04	3-5-04	Inpatient Hospitalization	\$32,579.47	\$0.00

## PART III: REQUESTOR'S POSITION SUMMARY

IC failed to pay per TWCC Rule 134.401 Acute Care Inpatient Hospital Fee Guideline and SOAH decision 453-04-3600.M4...Per TWCC Rule 134.401(c)(6)...claim pays @ 75% of total charges as charges exceed \$40,000.00 stop-loss threshold. Carrier further failed to audit according to TWCC Rule 134.401(C)(6)(A)(v).

## PART IV: RESPONDENT'S POSITION SUMMARY

Provider is not entitled to reimbursement under the stop-loss exception. Therefore, Provider has already been substantially overpaid and is not entitled to additional reimbursement.

## 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 10 days based upon anterior-posterior lumbar fusion L3-S1 with instrumentation. Accordingly, the stop-loss method does apply and the reimbursement is to be based on the stop-loss methodology.

The requestor billed \$164,829.93 for the hospitalization. In determining the total audited charges, the requestor billed \$70,653.00 for the implantables. The carrier paid \$24,504.70 for the implantables based on a cost plus 10% approach. The key issue is what amount would represent the usual and customary charges for these implantables in determining the total audited charges.

Based on a reimbursement of \$24,504.70, it appears that the carrier found that the cost for the implantables was \$22,277.00. This amount multiplied by the average mark-up of 200% results in an audited charge for implantables equal to \$44,554.00.

The audited charges for this admission, excluding implantables, equals \$94,176.93. This amount plus the above calculated audited charges for the implantables equals \$138,730.93 the total audited charges. This amount minus audit reduction \$63,210.68 = \$75,520.25. The requestor did not dispute this reduction and submit documentation to support charges. This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers' compensation reimbursement amount equal to \$56,640.18.

The insurance carrier audited the bill and paid \$91,042.98 for the inpatient hospitalization.

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:

	Elizabeth Pickle, RHIA	June 9, 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, 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 in the Austin Representative's box.

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