

# 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.: M4-05-5876-01	
		TWCC No.:	
		Injured Employee's Name:	
Respondent  Texas Mutual Insurance Co. Rep. Box # 54		Date of Injury:	
		Employer's Name: Colours of the Rainbow Granite	
		Insurance Carrier's No.: 99C-302858	

## PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
3-29-04	4-5-04	Inpatient Hospitalization	\$55,369.27	\$14,697.60

## 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

Faced with unexplained, unjustified markups, without evidence supporting unusually excessive or justifiably costly services, the carrier reimbursed the requestor the per diem rate of \$118.00 for a 3-da y admission totaling \$3354.00.

## 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."

The claimant underwent L45 decompression with revision laminectomy and posterior interbody and posterior lateral fusion with instrumentation L4-5. Discharge summary indicates that claimant, "was able to ambulate quickly and he had some difficulty arranging a placement in a shelter home for discharge."

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 carve-out methodology described in the same rule.

The total length of stay for this admission was 7 days (consisting of 7 days for surgical). Accordingly, the standard per diem amount due for this admission is equal to \$7826.00 (7 times \$1,118). In addition, the hospital is entitled to additional reimbursement for (implantables/MRIs/CAT Scans/pharmaceuticals) as follows:

Depuy Spine invoice = \$9296.00 + 10% = \$10,225.60.

Invoices + surgery per diem = \$18,051.60.

The insurance carrier audited the bill and paid \$3354.00 for the inpatient hospitalization. The difference between amount paid and amount due = \$14,697.60.

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 reimbursement amount for these services equal to = \$14,697.60.

**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 \$14,697.60. 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, Director

June 8, 2005

Authorized Signature

Typed Name

Date of Order

Findings and Decision by:

Elizabeth Pickle, RHIA

June 8, 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: \_\_\_\_\_