

MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: (x) HCP () IE () IC	Response Timely Filed? (x) Yes () No
Requestor's Name and Address Twelve Oaks Medical Center C/o Hollaway & Gumbert 3701 Kirby Drive, Suite 1288 Houston, TX 77098-3926	MDR Tracking No.: M4-05-6107-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address TPICGA For Fremont Indemnity Co./Rep. Box #: 50 Sone Loughlin & Swanson, LLP P.O. Box 30111 Austin, TX 78755	Date of Injury:
	Employer's Name: Third Coast Packaging Co. Inc
	Insurance Carrier's No.: WT02738

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
4-1-04	4-3-04	Inpatient Hospitalization	\$29,692.63	\$25,214.57

PART III: REQUESTOR'S POSITION SUMMARY

Position summary of May 2, 2005 states, "... It is our position that reimbursement was improperly determined pursuant to the acute care inpatient hospital fee guidelines... Because ___'s admission was inpatient, this claim would be reimbursed pursuant to TWCC Rule 134.401... According to Rule 134.401(c)(6), this claim would be reimbursed at the stop-loss rate of 75% as the total audited charges exceed the minimum stop-loss threshold of \$40,000 resulting in a reimbursement of \$36,437.09. Based on the clear working of the rules of the TWCC, the carrier is liable for an additional sum owed our client in the amount of \$29,692.63...".

PART IV: RESPONDENT'S POSITION SUMMARY

Position summary of May 10, 2005 states, "... TPCIGA paid Provider a total of \$6,744.46 under the standard per diem reimbursement method of the ACHIFG... This amount represents reimbursement of \$1,118 for each of the two surgical days (\$2,236.00) plus reimbursement of implants at cost plus ten percent..."

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 2 days. The operative report indicates the patient underwent "... 1. Anterior cervical discectomy and decompression, spinal cord nerve root C5-6. 2. Anterior cervical discectomy and decompression, spinal cord nerve root C6-7. 3. Anterior cervical interbody arthrodesis C5-6. 4. Anterior cervical interbody arthrodesis C6-7. 5. Anterior cervical instrumentation C5 to C7 with DePuy titanium plate and screws. 6. Iliac crest autograft x2...". Accordingly, the stop-loss method does apply and the reimbursement is to be based on the stop-loss methodology.

In determining the total audited charges, it must be noted that the insurance carrier has indicated some question regarding the charges for the implantables. The requestor billed \$14,167.95 for the implantables. The carrier paid \$4,508.46 for the implantables. The key issue is what amount would represent the usual and customary charges for these implantables in determining the total audited charges. The requestor did not provide the Commission with any documentation on the actual cost of implantables or how their charges were derived. Based on a review of numerous medical disputes and our experience, the average markup for implantables in many hospitals is 200%.

Based on a reimbursement of \$4,508.46, it appears that the carrier found that the cost for the implantables was \$4,098.60 (reimbursed amount divided by 110%). This amount multiplied by the average mark-up of 200% results in an audited charge for implantables equal to \$8,197.20.

The audited charges for this admission, excluding implantables, equals \$34,414.84. This amount plus the above calculated audited charges for the implantables equals \$42,612.04, the total audited charges. This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers' compensation reimbursement amount equal to \$25,214.57 (\$31,959.03 - \$6,744.46 (amount paid by respondent)).

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 \$25,214.57.

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 \$25,214.57. 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

6-24-05

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: _____