



MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

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|--|-------------------------------------|
| Type of Requestor: (x) Health Care Provider () Injured Employee () Insurance Carrier | |
| Requestor's Name and Address: Vista Medical Center Hospital 4301 Vista Road Pasadena, Texas 77504 | MDR Tracking No.: M4-05-B511-01 |
| | Claim No.: |
| | Injured Employee's Name: |
| Respondent's Name and Address: American Zurich Insurance Company P O Box 13367 Austin, Texas 78711-3367 Box 19 | Date of Injury: |
| | Employer's Name: LBC Holdings, Inc. |
| | Insurance Carrier's No.: 2720011670 |

PART II: REQUESTOR'S PRINCIPLE DOCUMENTATION AND POSITION SUMMARY

Requestor submitted an operative report, discharge summary and invoices. No position statement noted in the case file.

PART III: RESPONDENT'S PRINCIPLE DOCUMENTATION AND POSITION SUMMARY

Carrier submitted a position statement indicating: "This is a medical fee arising from an inpatient hospital surgical admission, dates of service 10/13/2004 to 10/15/2004. Requestor billed a total of \$98,396.88. The Requestor asserts it is entitled to reimbursement in the amount of \$73,797.66, which is 75% of the total charges. Requestor has not shown entitlement to this alternative, exceptional method of calculating reimbursement and has not otherwise properly calculated the audited charges."

PART IV: SUMMARY OF DISPUTE AND FINDINGS

| Date(s) of Service | CPT Code(s) or Description | Part V Reference | Additional Amount Due (if any) |
|--------------------|----------------------------|------------------|--------------------------------|
| 10/13/04-10/15/04 | Surgical Admission | I | \$0.00 |

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

I. 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 additional 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 information provided by both parties, it does **not** appear that this particular admission involved "unusually extensive services." The provider submitted an operative report indicating that a posterolateral lumbar fusion L2-L3 fusion was performed, there were no complications noted. 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 carrier made reimbursement for the 2-day stay in the amount of \$11,666.40 per the Table of Disputed Services.

The requestor billed \$23,320.00 for the implantables.

The requestor submitted invoices indicating the cost for the implantables were \$4,900.00.

Therefore, reimbursement based on per diem is \$2,236.00(2 x \$1,118.00) and reimbursement for the implantables at cost plus ten percent

is \$5,390.00 (\$4,900.00 x 110%). Per diem amount is \$2,236.00 + \$5,390.00 for the implantables = \$7,626.00, carrier reimbursed the provider an additional amount of \$4,040.40 for blood/admin and med-surg supplies, leaving no additional reimbursement recommended.

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.

PART VI: GENERAL PAYMENT POLICIES/REFERENCES IMPACTING DECISION

28 Texas Administrative Code Sec. 134.401 (c)(6).

PART VII: DIVISION DECISION AND ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code, Sec. 413.031, the Division has determined that the requestor **is not** entitled to additional reimbursement.

Ordered by:

Michael Bucklin

12/20/05

Authorized Signature

Typed Name

Date of Order

PART VIII: YOUR RIGHT TO REQUEST JUDICIAL REVIEW

Appeals of medical dispute resolution decisions and orders are procedurally made directly to a district court in Travis County [see Texas Labor Code, Sec. 413.031(k), as amended and effective Sept. 1, 2005]. An appeal to District Court must be filed not later than 30 days after the date on which the decision that is the subject of the appeal is final and appealable. The Division is not considered a party to the appeal.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.