



MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: (X) Health Care Provider () Injured Employee () Insurance Carrier	
Requestor's Name and Address: Renaissance Hospital P.O. Box 11586 Houston, Texas 77293	MDR Tracking No.: M4-05-B791-01
	Claim No.:
	Injured Employee's Name:
Respondent's Name and Address: Fireman's Fund Insurance Company Box 19	Date of Injury:
	Employer's Name: Dixie Staffing Services
	Insurance Carrier's No.: 85000366704

PART II: REQUESTOR'S PRINCIPLE DOCUMENTATION AND POSITION SUMMARY

Renaissance Hospital feels that the carrier did not appropriately pay their usual and customary rate and requests additional reimbursement. The hospital billed \$15,074.36 and alleges that the carrier did not supply any case specific analysis or methodology to justify the amount it reimbursed. In support of their position, the hospital submitted supplied billing information, medical reports, and the explanation of benefits (EOBs). The hospital provided other EOBs to show payments from other carriers, to justify the request for additional reimbursement.

PART III: RESPONDENT'S PRINCIPLE DOCUMENTATION AND POSITION SUMMARY

The carrier paid the provider \$1,682.00 which represents an amount greater to or equal to the fair and reasonable reimbursement for this service. The carrier points out that this amount is greater than the one-day surgical admission per-diem reimbursement for an inpatient hospitalization and that ambulatory surgery should cost less than an inpatient admission. The carrier indicates that the Medicare reimbursement cannot be calculated because of insufficient documentation from the provider. The carrier contends that the requestor has failed to prove that the reimbursement received is not fair and reasonable and they are not entitled to additional reimbursement.

PART IV: SUMMARY OF DISPUTE AND FINDINGS

Date(s) of Service	CPT Code(s) or Description	Part V Reference	Additional Amount Due (if any)
11/24/2004	Outpatient Surgery		\$0.00

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

This dispute relates to outpatient surgical services provided in a hospital that are not covered under a fee guideline for this date of service. Therefore, the reimbursement determined through this dispute resolution process must reflect a fair and reasonable rate as described in Texas Labor Code §413.011 to achieve, in part, access to medical care and effective medical cost control. This case involves a factual dispute about what is a fair and reasonable reimbursement for the services provided.

While the requestor's position is that their purported charges are fair and reasonable, this is not supported by any reasonable information or data. In order to adopt and administer a hospital-specific reimbursement system, the Centers for Medicare and Medicaid Services (CMS) has implemented stringent cost and charge reporting requirements for hospitals. A particular outcome of this reporting system is the publication of hospital specific cost-to-charge ratios based on the actual data

submitted by the individual hospitals. In contrast to the requestor's position, it is noted that the Center for Medicare and Medicaid Services has established a cost to charge ratio of 13:100 for this particular facility. This finding tends to show that the amount charged by this facility is much greater than the actual costs for providing the services. Accordingly, the requestor's position that they should be reimbursement of 100% of the charges would not appear to be fair and reasonable, given the lack of any documentation to support the bases for the charges. The EOBs submitted by the requestor could be for different services and are not proof of entitlement to any specific reimbursement amount.

Another guiding principle for determining a fair and reasonable reimbursement amount is the other provision in Texas Labor Code §413.011(d), which states that any guideline may not provide for payment of a fee in excess of the fee charged for similar treatment of an injured individual of an equivalent standard of living. Comparisons of both the Medicare outpatient ambulatory payment classifications (APC) reimbursement methodology and the Medicare ambulatory surgery center (ASC) reimbursement methodology shows that the insurance carrier paid equal to or more than would have been paid under that health care system, based upon the information contained in the UB-92 (the hospital bill containing the charges) and the operative report. It is noted that the national reimbursement amount under the APC methodology for removal of the electrodes would have been \$1,115.31. While this amount would have been supplemented by some additional payment for other fee specific items, it appears that the insurance carrier paid a fair amount for reimbursement for these services. While the insurance carrier did not provide any information regarding how their reimbursement was derived, the outcome provided an adequate reimbursement amount to the provider.

Based upon the information provided with this dispute, I find that the "fair and reasonable" reimbursement amount is the amount previously paid by the insurance carrier and no additional reimbursement is due.

PART VI: GENERAL PAYMENT POLICIES/REFERENCES IMPACTING DECISION

Texas Labor Code §413.011

PART VII: DIVISION DECISION

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 no additional reimbursement is due.

Issued by:

Allen C. McDonald, Jr.

October 10, 2005

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.