THIS DECISION HAS BEEN APPEALED. THE FOLLOWING IS THE RELATED SOAH DECISION NUMBER:

SOAH DOCKET NO. 453-03-1233.M4

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Medical Review Division regarding a medical fee dispute between the requestor and the respondent named above.

I. DISPUTE

1. a. Whether there should be additional reimbursement of $18,666.15, for dates of service 06/20/01 through 06/26/01.

   b. The request was received on 06/07/02.

II. EXHIBITS

1. Requestor, Exhibit I:

   a. TWCC 60
   b. UB-92
   c. TWCC 62 forms
   d. Medical Records
   e. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.

2. Respondent, Exhibit II:

   a. Response to a Request for Dispute Resolution
   b. Medical Audit summary
   d. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.

3. Per Rule 133.307 (g) (3), the Division forwarded a copy of the requestor's 14 day response to the insurance carrier on 09/04/02. Per Rule 133.307 (g) (4) or (5), the carrier representative signed for the copy on 09/05/02. The response from the insurance carrier was received in the Division on 09/16/02. Based on 133.307 (i) the insurance carrier's response is timely.

4. Notice of Medical Dispute is reflected as Exhibit III of the Commission's case file.

III. PARTIES' POSITIONS

1. Requestor:

   The only response from the Requestor is from the Table of Disputed Services states: "Claim should have been paid at 75% as bill exceeds 40K."

2. Respondent:

   "It is the position of the Carrier that requestor owes respondent $12,421.34, based audit completed by (Claims Services) on November 20,2001.

   Carrier issued half-payment of $37,332.37 on August 30, 2001, check number 110759.

   (Claims Services) requested medical records on August 8,2001, to complete a desk audit. A second request was made on September 4, 2001, as they had not been received. Medical records were finally received on November 1, 2001. The desk audit using stop-loss method was completed on November 20, 2001. (See AttAched)

   The rationale cited by the requester that 75% of the bill should be paid as it Exceeded 40K was ruled unconstitutional in 1990 and does not apply. There is No fee guideline in place except for per diem bills less than 40K."

IV. FINDINGS

1. Based on Commission Rule 133.307(d) (1) (2), the only dates of service eligible for review are those commencing on 06/20/01 through 06/26/01.

2. The Provider billed the Carrier $74,664.69 for the dates of service 06/20/01 through 06/26/01.

3. The Carrier made a total reimbursement of $37,332.37 for the dates of service 06/20/01 through 06/26/01.

4. The amount left in dispute is $18,666.15.

V. RATIONALE

Medical Review Division's rationale:

The Carrier denied the Provider's charges as "H-Half Payment Pending Review and/or Audit," and "P-Recoupment of Overpayment Required from Half-payment." There is no further explanation for reduction found in the dispute packet.

The Carrier submitted an audit dated November 20, 2001 for the dates of service in dispute. The audit contains several unrelated items to the compensable injury that should be subtracted from the total billed charges in the amount of **$653.35**. Medications that are not related to the compensable injury are: (Metformin 500mg #11 at $4.22 each = $46.42. Glyburide 5mg #2 at $4.21 each = $8.41. Glyburide 2.5mg #6 at $3.85 each = $23.10. Insulin Novolin R #1 at $35.42 each. Glucose blood meter #18 at $30.00 each = $540.00.) Total charges to be subtracted from the stop-loss are **$653.35**. The patient has a pre-existing condition of diabetes for these charges and according to TWCC Rule 134.401(c)(6)(v) will be deducted from the total charges. The charges are listed in the submitted audit dated November 20, 2001.

Per Rule 133.304 (c), "…The explanation of benefits shall include the correct payment exception codes required by the Commission's instructions, and shall provide **sufficient** (bolded for emphasis) explanation to allow the sender to understand the reason(s) for the insurance Carrier's action(s). A generic statement that simply states a conclusion…with no further description of the reason for the reduction or denial of payment does not satisfy the requirements of this section."

There is nothing in the Provider's packet to indicate that they were made aware of why the deduction was made, and therefore, could not provide an adequate defense of its position.

The Carrier denied payment on Surg Path Level 3 without explanation. The denial is listed as (NO DOCUMENTATION). The Carrier does not indicate if this is a path report for blood, serum, tissue, etc.) Also GAIT TRAN ($96.00) and THER ACT ($85.00) and FLUORO 0-60 ($1,180.00) were denied no documentation, and again the Carrier has not explained their denial or list the date of these denials. Therefore, this charge will not be subtracted from the total stop-loss method.

The Carrier's audited bill contains a column that indicates a discrepancy found. These are indicated with numbers ranging from 1-6. There is not an explanation to these discrepancies, therefore the Medical Review Division is unable to determine their meaning.

The Carrier also carved out the implantables from the total charges and reduced them by 30% according to the audit dated November 20, 2001. The charges noted are $54,322.00 and the Carrier reduced them to $38,524.86. The Carrier reduced the implantables even further to $8,308.68, according to the written amount on the audit dated November 20, 2001. The Carrier gives no explanation as to why they reduced the charges, except the whole hospital stay should be determined at the per diem rate.

Since the total charges for the hospital stay is $74,664.69, the stop-loss reimbursement methodology … "shall be used in place of and not in addition to the per diem based reimbursement system.", according to TWCC Rule 134.401 (6).

Total charges are $74,664.69 minus **$653.35** for unrelated items equals $74,011.34.
Multiply the audited charges of $74,011.34 x 75%
$74,011.34 x .75= $55,085.50
The carrier paid $37,332.37
$55,085.50 - $37,332.37 = $18,176.14

The above Findings and Decision are hereby issued this 9th day of October 2002.

Michael Bucklin
Medical Dispute Resolution Officer
Medical Review Division

MB/mb

VI. ORDER

Pursuant to Sections 402.042, 413.016, 413.031, and 413.019 the Medical Review Division hereby ORDERS the Respondent to remit $18,666.15 plus all accrued interest due at the time of payment to the Requestor within 20 days receipt of this order.

This Order is hereby issued this 9th day of October 2002.

David R. Martinez
Manager Medical Dispute Resolution
Medical Review Division

DM/mb