

MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

Retrospective Medical Necessity Dispute

PART I: GENERAL INFORMATION

Type of Requestor: (x) HCP () IE () IC	Response Timely Filed? (x) Yes () No
Requestor's Name and Address Memorial Hermann Hospital System C/o Sullins, Johnston, Rohrbach & Magers 2200 Phoenix Tower 3200 Southwest Freeway Houston, TX 77027	MDR Tracking No.: M5-05-0308-01
	TWCC No.:
	Injured Employee's Name:
Respondent's Name and Address Facility Ins. Corp./Rep. Box #: 19 C/o Flahive, Ogden & Latson 500 West 12 th Street Austin, TX 78701	Date of Injury:
	Employer's Name:
	Insurance Carrier's No.:

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Did Requestor Prevail?
From	To		
9-23-03	10-13-03	Inpatient Hospitalization	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10-17-03	10-27-03	Inpatient Hospitalization	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11-14-03	11-21-03	Inpatient Hospitalization	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code and Commission Rule 133.308 (relating to Medical Dispute Resolution by Independent Review Organization), the Medical Review Division assigned an Independent Review Organization (IRO) to conduct a review of the medical necessity issues between the requestor and respondent.

The Division has reviewed the enclosed IRO decision and determined that the requestor **prevailed** on the disputed medical necessity issues.

Based on review of the disputed issues within the request, the Medical Review Division has determined that **medical necessity was not the only issue** to be resolved. The inpatient services were found to be medically necessary. This dispute also contained services that were not addressed by the IRO and will be reviewed by the Medical Review Division.

The Respondent denied the remaining inpatient services with "F Reduction According To Medical Fee Guideline", "G Included in Per Diem and "M Reduced To Fair and Reasonable".

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 **not** appear that these particular admissions (9-23-03 to 10-13-03, 10-17-03 to 10-27-03 and 11-14-03 to 11-21-03) involved "unusually extensive services." The operative report of 9-29-03 indicates the patient underwent "Pulsavac irrigation, debridement, exploration of lower back wounds"; operative report of 10-1-03, "Jet lavage, debridement and exploration of lower back wounds. Reconstruction with a muscle and fasciocutaneous flaps"; report of 10-17-03, "Admission Diagnosis: Recurrent wound drainage, possible wound infection"; and report of 11-14-03, Admission Diagnosis: Persistent cerebrospinal fluid leak in the face of an infected wound".

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 the admission on 9-23-03 to 10-13-03 is 20 days, 10-17-03 to 10-27-03 is 10 days and 11-14-03 to 11-21-03 is 7 days (a total of 37 days for surgical). Accordingly, the standard per diem amount due for the admission on 9-23-03 to 10-13-03 is equal to \$22,360.00(20 days times \$1,118.00), 10-17-03 to 10-27-03 is equal to \$11,180.00 (10 days times \$1118.00) and 11-14-03 to 11-21-03 is equal to \$7,826.00 (7 days time \$1118.00) for a total per diem amount of \$41,366.00. The Respondent reimbursed \$11,180.00. In addition, the hospital is entitled to additional reimbursement for (implantables/MRIs/CAT Scans/pharmaceuticals) as follows: The requestor did not submit any information; therefore, MDR cannot determine the cost plus 10%.

Considering the reimbursement amount calculated in accordance with the provisions of rule 134.401(c) compared with the amount previously paid by the insurance carrier, we find that additional reimbursement of \$30,186.00 (\$41,366.00 – \$11,180.00 (amount paid by the respondent) is due for these services.

PART IV: 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 a refund of the paid IRO fee in the amount of \$650.00. The Division hereby **ORDERS** the insurance carrier to remit the amount of \$30,186.00, 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

7-22-05

Authorized Signature

Typed Name

Date of Order

PART V: 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: _____

PART VI: 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 in español acerca de ésta correspondencia, favor de llamar a 512-804-4812.

Envoy Medical Systems, LP
1726 Cricket Hollow
Austin, Texas 78758

Ph. 512/248-9020
IRO Certificate #4599

Fax 512/491-5145

NOTICE OF INDEPENDENT REVIEW DECISION

November 16, 2004

Re: IRO Case # M5-05-0308

Texas Worker's Compensation Commission:

Envoy Medical Systems, LP (Envoy) has been certified as an independent review organization (IRO) and has been authorized to perform independent reviews of medical necessity for the Texas Worker's Compensation Commission (TWCC). Texas HB. 2600, Rule 133.308 effective January 1, 2002, allows a claimant or provider who has received an adverse medical necessity determination from a carrier's internal process, to request an independent review by an IRO.

In accordance with the requirement that TWCC assign cases to certified IROs, TWCC assigned this case to Envoy for an independent review. Envoy has performed an independent review of the proposed care to determine if the adverse determination was appropriate. For that purpose, Envoy received relevant medical records, any documents obtained from parties in making the adverse determination, and any other documents and/or written information submitted in support of the appeal.

The case was reviewed by a physician who is Board Certified in Neurological Surgery, and who has met the requirements for TWCC Approved Doctor List or has been approved as an exception to the Approved Doctor List. He or she has signed a certification statement attesting that no known conflicts of interest exist between him or her and any of the treating physicians or providers, or any of the physicians or providers who reviewed the case for a determination prior to referral to Envoy for independent review. In addition, the certification statement further attests that the review was performed without bias for or against the carrier, medical provider, or any other party to this case.

The determination of the Envoy reviewer who reviewed this case, based on the medical records provided, is as follows:

Medical Information Reviewed

1. Table of disputed service
2. Explanation of benefits
3. Report of orthopedic surgeon 3/9/04
4. M.D. report 3/24/04
5. Discharge summary and operative report 7/9/03, 7/14/03
6. Hospital progress notes without discharge notes and H&P, except as noted above

History

The patient is a 57-year-old male who had multiple back operations and developed a dehiscence of his wound and a cerebral spinal leak in _____. This led to admission to the hospital for surgical repair of the problem, but this could not be performed because EKG changes suggested severe cardiac difficulties, interfering with anesthesia. Surgery had to be delayed until mid-July 2003, when an attempt was made to repair the dura leak. The leak repair was unsuccessful, and the patient had to be readmitted to the hospital, and procedures were performed such as an attempt at a myelogram by way of a cervical injection of contrast material, which was unsuccessful. The patient returned to the hospital in October 2003 with more drainage from his wound and chills and fever. His antibiotics were changed and his wound was cared for. A catheter was introduced to drain spinal fluid away from the leaking area. Despite this, the patient continued to have difficulty and had to be readmitted to the hospital for re-exploration and re-closure of his leaking spine. He was discharged with the wound being dry, indicating successful closure.

Requested Service(s)

Semi-private room, pharmacy, non-generic drugs, IV solution, surgery supplies, lab, chemistry, hematology, bacteriology, radiology, operating room, recovery room, EKG/ECG, treatment room, education 9/23/03 – 10/13/03; 10/17/03 – 10/27/03; 11/14/03 – 11/21/03

Decision

I disagree with the carrier's decision to deny the requested services and drugs

Rationale

The patient needed a private room because of the potential infection that was present, and the various antibiotics were certainly indicated. The IV solutions, surgical supplies, lab, and chemistry were indicated, along with the various radiology methods that were used in coming to conclusions regarding what surgical procedures might be beneficial to the patient. Certainly the operating and recovery rooms were necessary. With the patient's history of potential serious cardiac difficulties, EKGs were certainly indicated. The medications used were reasonable and necessary. The repeated hospitalizations were necessary as soon as possible because of the potential complications of spinal fluid leakage, such as meningitis.

This medical necessity decision by an Independent Review Organization is deemed to be a Commission decision and order.

Daniel Y. Chin, for GP