

MAXIMUS FEDERAL SERVICES, INC.

Independent Bill Review
P.O. Box 138006
Sacramento, CA 95813-8006
Fax: (916) 605-4280



INDEPENDENT BILLING REVIEW FINAL DETERMINATION

April 23, 2015

[REDACTED]
[REDACTED]
[REDACTED]

IBR Case Number:	CB14-0001864	Date of Injury:	05/20/2007
Claim Number:	[REDACTED]	Application Received:	12/03/2014
Claims Administrator:	[REDACTED]	Assignment Date:	02/23/2015
Provider Name:	[REDACTED]		
Employee Name:	[REDACTED]		
Disputed Codes:	76942, J2275 NDC 38779067308, J1170 NDC 387779073105, J0735 NDC 38779056104 & J0475 NDC 38779038805		

Dear [REDACTED]

MAXIMUS Federal Services has completed the Independent Bill Review (“IBR”) of the above workers’ compensation case. This letter provides you with the IBR Final Determination and explains how the determination was made.

Final Determination: OVERTURN. MAXIMUS Federal Services has determined that additional reimbursement is warranted. The Claims Administrator’s determination is reversed and the Claim Administrator owes the Provider additional reimbursement of \$250.00 for the review cost and \$135.00 in additional reimbursement for a total of \$385.00. A detailed explanation of the decision is provided later in this letter.

The Claim Administrator is required to reimburse the Provider a total of \$385.00 within 45 days of the date on this letter per section 4603.2 (2a) of the California Labor Code. The determination of MAXIMUS Federal Services and its expert reviewer is deemed to be the Final Determination of the Administrative Director of the Division of Workers’ Compensation. This determination is binding on all parties. In certain limited circumstances, you can appeal the Final Determination. Appeals must be filed with the Workers’ Compensation Appeals Board within 20 days from the date of this letter. For more information on appealing the final determination, please see California Labor Code Section 4603.6(f).

Sincerely,

Paul Manchester, M.D., M.P.H.
Medical Director

cc: [REDACTED]
[REDACTED]

DOCUMENTS REVIEWED

Pertinent documents reviewed to reach the determination:

- The Independent Bill Review Application
- The original billing itemization
- Supporting documents submitted with the original billing
- Explanation of Review in response to the original bill
- Request for Second Bill Review and documentation
- Supporting documents submitted with the request for second review
- The final explanation of the second review
- DWC Pharmacy Calculator
- Medi-Cal Pricing Indicator

HOW THE IBR FINAL DETERMINATION WAS MADE

MAXIMUS Federal Services Chief Coding Specialist reviewed the case file and researched pertinent coding and billing standards to reach a determination. In some cases a physician reviewer was employed to review the clinical aspects of the care to help make a determination. He/she has no affiliation with the employer, employee, providers or the claims administrator. The expert reviewer was selected based on his/her clinical experience, education, background, and expertise in the same or similar specialties that evaluate and/or treat the medical condition and disputed items/services.

ANALYSIS AND FINDING

Based on review of the case file the following is noted:

- **ISSUE IN DISPUTE: Provider seeking remuneration for 76942 Ultrasonic guidance services utilized for Pain Pump Refill needle placement (eg, biopsy, aspiration, injection, localization device), with imaging supervision and interpretation services, and compound medication: J2275 NDC 38779067308 Morphine Sulfate Powder, J1170 NDC 387779073105 Hydromorphone HCL Powder, J0735 NDC 38779056104 Clonidine HCL Powder & J0475 NDC 38779038805 Baclofen Powder, relating to date of service 01/21/2014.**
- Claims Administrator reimbursement rational for CPT 76942: “The service for this procedure was included in the value of another procedure.”
- **CPT 76942** code description includes “imaging supervision and interpretation.”
- A report of findings for the 76942 Ultrasound was identified within the
- ‘Primary Treating Physician Progress Report.’
- A separate copy of 3, 3 x 4 inch print images (copies) of the ultrasounds were reviewed – report not documented on the ultrasound photographs.
- CPT 2014 guidelines for reporting 79642, “require a separate interpretation,” meaning a separate report from the Primary Physician Progress Report.
- Medicare Regulations Revision. 2932, 04-18-14, Chapter 13, section 20.1 for “Professional Component” (PC) states: “The interpretation of a diagnostic procedure includes a written report.”
- A separate written report for 76942 was not included with the IBR documentation. As such, reimbursement is not supported.
- Claims Administrator reimbursement rational for **J2275 NDC 38779067308 Morphine Sulfate Powder, J1170 NDC 387779073105 Hydromorphone HCL Powder, J0735 NDC 38779056104 Clonidine HCL Powder & J0475 NDC 38779038805 Baclofen Powder**: “We cannot review this services without necessary documentation. Please resubmit with indicated documentation as soon as possible. (Please submit copy of invoice.)”
- Initial CMS 1500 form and EOR indicates **CPT 99070 Special Supplies**, representing J2275 NDC 38779067308 Morphine Sulfate Powder, J1170 NDC 387779073105 Hydromorphone HCL Powder, J0735 NDC 38779056104 Clonidine HCL Powder & J0475 NDC 38779038805 Baclofen Powder.
- Labor Code 5307.1. (e) (2) Any compounded drug product shall be billed by the compounding pharmacy or dispensing physician at the ingredient level, with each ingredient identified using the applicable National Drug Code (NDC) of the ingredient and the corresponding quantity, and in accordance with regulations adopted by the California State Board of Pharmacy. Ingredients with no NDC shall not be separately reimbursable. The ingredient-level reimbursement shall be equal to 100 percent of the reimbursement allowed by the Medi-Cal payment system and payment shall be based on the sum of the allowable fee for each ingredient plus a dispensing fee equal to the dispensing fee allowed by the Medi-Cal payment systems. If the compounded drug product is dispensed by a physician, the maximum reimbursement shall not exceed 300 percent of documented paid costs, but in no case more than twenty dollars (\$20) above documented paid costs.

- January 17, 2014 Invoice reflecting Documented Paid Cost of \$115.00 for , J1170 NDC 387779073105 Hydromorphone HCL Powder, J0735 NDC 38779056104 Clonidine HCL Powder & J0475 NDC 38779038805 Baclofen Powder.
- NDC codes entered into the DWC Compound Prescription Price Calculator **at the ingredient** level. MG/MCG reflected on Pain Pump documentation converted to **grams** as the ingredient is powder and is calculated per gram. DWC Price Calculator indicated document paid cost higher than price calculations.
- Based on the aforementioned documentation and guidelines Document Paid Cost + \$20.00 is warranted for J2275 NDC 38779067308 Morphine Sulfate Powder, J1170 NDC 387779073105 Hydromorphone HCL Powder, J0735 NDC 38779056104 Clonidine HCL Powder & J0475 NDC 38779038805 Baclofen Powder

The table below describes the pertinent claim line information.

DETERMINATION OF ISSUE IN DISPUTE: 76942, J2275 NDC 38779067308, J1170 NDC 387779073105, J0735 NDC 38779056104 & J0475 NDC 38779038805

Date of Service: 01/21/2014						
Physician Services/Pharmacy						
Service Code	Provider Billed	Plan Allowed	Dispute Amount	Units	Workers' Comp Allowed Amt.	Notes
76942	\$495.00	\$0.00	\$148.00	1	\$0.00	Refer to Analysis
99070 Compound Medication J2275 NDC 38779067308, J1170 NDC 387779073105, J0735 NDC 38779056104 & J0475 NDC 38779038805	\$1509.50	\$0.00	\$449.00	1	\$135.00	Refer to Analysis

Copy to:

[REDACTED]
[REDACTED]
[REDACTED]

Copy to:

[REDACTED]
[REDACTED]
[REDACTED]