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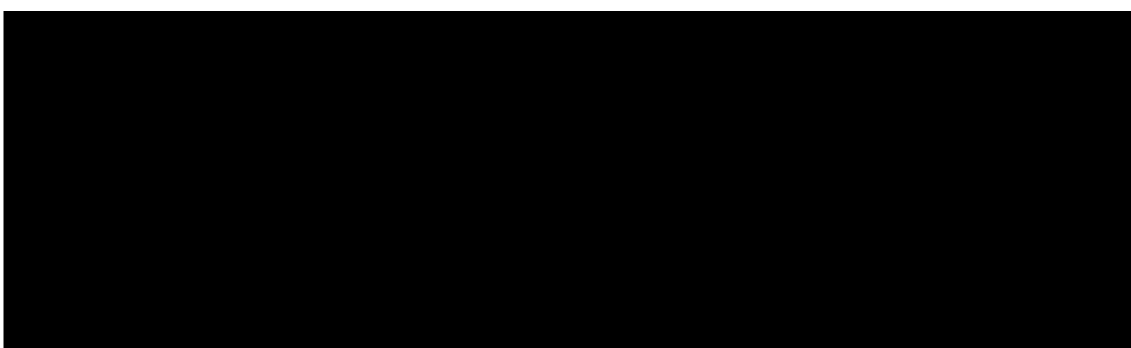
January 29, 2008



Summary: MAXIMUS has determined that no additional reimbursement is warranted for CPT codes 63030, 69990 and 15770 performed on 10/31/06.

MAXIMUS Case File Number: NJ07-0278
Enrollee Name:
Plan: Small Employer PPO
Payer:
Provider:
Date(s) of Service: 10/31/06

Dear :

On 9/12/07, on behalf of , you filed a Request for Arbitration pursuant to the New Jersey Health Claims Authorization, Processing and Payment Act. This arbitration filing was related to a claims appeal you filed with on 8/16/07. We, MAXIMUS, are under contract with the New Jersey Department of Banking and Insurance to make Arbitration decisions in appeals such as yours. This means we employ health care claims professionals who study your case file and claims records to arbitrate the claims you have in dispute with . MAXIMUS and all of our arbitrators are impartial and independent. We have no material affiliations with any health care provider, facility or Payer in the state of New Jersey.

Case File Summary:

A Provider is seeking additional reimbursement related to professional charges for CPT codes 15770, 63030, and 69990 performed on 10/31/06. The Payer has denied this request indicating it has already reimbursed the provider a reasonable amount for the CPT codes at issue and has denied the provision of additional reimbursement to the provider. In addition, the Provider is not contracted with the Payer. The Payer indicates it has already reimbursed the provider over and above the Payer's allowance for non-contracted providers.

A review of the record indicates the Provider submitted the following billed charges for the following CPT codes:

1. CPT code 63030 Provider billed $9,758.00 Payer allowed $8,000.00
2. CPT code 69990 Provider billed $3,993.00 Payer an allowed $0
3. CPT code 15770 Provider billed $3,862.00 Payer allowed $1,414.50

According to the information provided in the case file, the Payer took into account the multiple procedure reduction rule. The Provider believes the Payer has the burden of demonstrating the provider's billed charges are unreasonable. The Payer indicates it has already reimbursed at reasonable levels as demonstrated by the fact that it has already made payments over and above the Medicare allowable charges and the non-contracted allowance.

At issue in this arbitration is whether additional reimbursement for the CPT codes at issue is reasonable and appropriate and consistent with the enrollee's out-of-network benefit.

Analysis and Findings:

Additional reimbursement to the Provider is not warranted for CPT codes 63030, 69990 and 15770 in this case.

Based upon the information provided by both parties to the arbitration it appears the Payer initially reimbursed the Provider for service codes 63030 and 15770. Records submitted demonstrate that the enrollee's plan in this matter is defined as a small group employer plan [redacted]. According to the New Jersey Administrative Code §11:21-7.13 in paying benefits for covered services under the terms of the small employer health benefits plan provided by health care providers not subject to capitated or negotiated fee arrangements, small employer carriers shall pay covered charges for medical services, on a reasonable and customary basis or actual charges. Reasonable and customary means a standard based on the Ingenix Prevailing Healthcare Charge System (PHCS) profile for New Jersey. This section of the New Jersey Administrative Code further stipulates that the maximum allowable charge shall be based on the 80th percentile of the PHCS profile.

According to the Physician National Correct Coding Initiative Column 1/Column 2 edit table, there are no records indicating that code 15770 should not be submitted with code 63030. According to the Physician National Correct Coding Initiative Column 1/Column 2 edit table, there is a record indicating that code 69990 should not be submitted with code 63030. Therefore, reimbursement for CPT code 69990 is not recommended in this case. Code 15770 carries a status indicator T, which indicates that a 50 percent reduction should be applied to the multiple surgery procedure. In this case, this reduction applies to code 15770.

The chart below provides a comparison of billed charges and reimbursement rates for the codes and dates of services at issue.

CPT Service Code	Provider Billed	Plan Reimbursed	80th Percentile PHCS	MAXIMIS Additional Reimbursement
Date of Service: 10/31/06				
63030	$9,758.00	$8,000.00	$8,000.00	$0
69990	$3,993.00	$0	$3,993.00	$0
15770	$3,862.00	$1,414.50	$2,094.00	$0

Based upon the information set forth above, MAXIMUS has determined that the Payer has reimbursed the Provider $8,000.00 for code 63030, $0 for code 69990, and $1,414.50 for code 15770. This indicates the Payer reimbursed the Provider at the 80th percentile of PHCS for code 63030, and above the 80th Percentile PHCS for code 15770 (with the applicable 50 percent multiple procedure reduction) and, in accordance correct coding guidelines, did not reimburse the Payer for code 69990. Therefore, the Provider should not receive an additional total reimbursement from the Payer. It is assumed for the purposes of this arbitration that all applicable copayments and deductibles were taken into account when the Payer made its initial payments to the provider.

Evidence Supporting Decision:

The following evidence was relied upon in arriving at the arbitration decision.

1. Centers for Medicare and Medicaid Services - FY 2006 Medicare Physician Fee Schedule Relative Value Table.

2. Ingenix - Prevailing Healthcare Charge System Medical/Surgical, Nov 2006.

3. Centers for Medicare and Medicaid Services – National Correct Coding Initiative Physician Column 1/Column 2 Edit File (ccigrp08v140.xls).

4. New Jersey Administrative Code §11:21-7.13.

Arbitrators Qualifications:

I am an nurse with over 5 years of health claims processing experience. I have no affiliation with the Payer of New Jersey or the provider or the enrollee involved in this arbitration.

Appeal of MAXIMUS Decision:

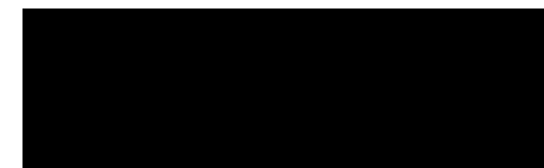
This decision is binding. You cannot appeal this decision. The New Jersey Department of Banking and Insurance does not accept appeals of a MAXIMUS decision. Pursuant to the New Jersey Health Claims Authorization, Processing and Payment Act the decision of MAXIMUS is final.

Explanation of MAXIMUS Services:

Please be aware that MAXIMUS is providing an independent arbitration service. MAXIMUS is not engaged in the practice of law or medicine. Decisions about the use or nonuse of health care are the sole responsibility of the patient and that patient's physician. MAXIMUS is not liable for any consequences arising from these decisions.

Sincerely,
MAXIMUS, Inc.

Lisa Gebbie, MS, RN
Claims Arbitrator



Ian Maitin, MD
Medical Director

pc: Lee Barry, Assistant Commissioner
NJ Dept. of Banking and Insurance