



Texas Department of Insurance

Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645
512-804-4000 telephone • 512-804-4811 fax • www.tdi.texas.gov

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name and Address

TEXAS MIDWEST SURGERY CENTER
751 NORTH 18TH STREET
ABILENE TX 79601

Respondent Name

TEXAS MUTUAL INSURANCE CO

Carrier's Austin Representative Box

Box Number 54

MFDR Tracking Number

M4-11-4172

MFDR Date Received

JULY 18, 2011

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "WE are disputing the allowance for CPT code 29875. The ASC state mandated fee schedule for this code is \$2455.99. As a secondary procedure the correct reimbursement amount is \$1228.00. History of claim: Initially Texas Mutual denied code 29875 as being unrelated to injury. We appealed this claim and they approved payment for this code on 4/22/2011. On this EOB the adjustment code 976 states 'this endoscopy code has been repriced in accordance with the endoscopy methodology'. This methodology is not applicable to ASC reimbursement. Secondary arthroscopic procedures are reimbursed at 50%."

Amount in Dispute: \$1,063.53

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The amount \$81.84, the endoscopic Medicare fee for code 29875, is then multiplied by the DWC conversion/Medicare conversion factor, which produces \$164.47, the amount Texas Mutual paid."

Response Submitted by: Texas Mutual Insurance Co.

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 4, 2011	ASC Services for CPT Code 29875-59	\$1,063.53	\$1,063.51

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

- 28 Texas Administrative Code §133.307 sets out the procedures for resolving a medical fee dispute.
- 28 Texas Administrative Code §134.402, titled *Ambulatory Surgical Center Fee Guideline*, effective August 31, 2008, sets out the reimbursement guidelines for ambulatory surgical care services.
- The services in dispute were reduced/denied by the respondent with the following reason codes:

Explanation of benefits

- CAC-219-Based on extent of injury (NOTE: To be used for workers compensation only)
 - 246-The treatment/services has been determined to be unrelated to the extent of injury. Final adjudication has not taken place.
 - CAC-W1-Workers compensation state fee schedule adjustment.
 - CAC-W3-Additional payment made on appeal/reconsideration.
 - 723-Supplemental reimbursement allowed after a reconsideration of services.
 - 976-This endoscopy code has been re-priced in accordance with the endoscopy methodology.
 - CAC-193-Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
 - 724-No additional payment after a reconsideration of services.
4. Dispute M4-11-4172 History
- Dispute M4-11-4172-01 was originally decided on December 5, 2011.
 - On December 13, 2011, Medical fee dispute withdrew the decision and the dispute was re-docketed under M4-11-4172-02.
 - Dispute M4-11-4172-02 was closed in error on December 19, 2011.
 - Dispute M4-11-4172-02 was re-docketed under M4-11-4172-03.
 - Medical fee dispute issued a decision under re-docketed dispute number M4-11-4172-03 on January 9, 2014.
 - M4-11-4172-03 was withdrawn by the Division on January 16, 2014 and was re-docketed under M4-11-4172-04.
 - M4-11-4172-04 is hereby reviewed

Issues

1. Does an extent of injury issue exist in this dispute?
2. What is Medicare's policy regarding multiple procedures performed in an Ambulatory Surgical Care Center?
3. Is the requestor entitled to additional reimbursement for CPT code 29875-59?

Findings

1. According to the explanation of benefits, the respondent initially denied reimbursement for CPT code 29875-59 based upon reason codes "CAC-219 and 246." The Division finds that upon reconsideration, the respondent did not maintain this denial and issued reimbursement in the amount of \$164.47; therefore, an extent of injury issue does not exist in this dispute.
2. According to the explanation of benefits, the respondent reduced reimbursement for CPT code 29875-59 based upon reason code "976."

The respondent contends that "The amount \$81.84, the endoscopic Medicare fee for code 29875, is then multiplied by the DWC conversion/Medicare conversion factor, which produces \$164.47, the amount Texas Mutual paid."

The requestor asserts that additional reimbursement is due because "This methodology is not applicable to ASC reimbursement. Secondary arthroscopic procedures are reimbursed at 50%."

Medicare Claims Processing Manual, Chapter14- Ambulatory Surgical Centers states "When the ASC performs multiple surgical procedures in the same operative session that are subject to the multiple procedure discount, contractors pay 100 percent of the highest paying surgical procedure on the claim, plus 50 percent of the applicable payment rate(s) for the other ASC covered surgical procedures subject to the multiple procedure discount that are furnished in the same session." Therefore, the respondent's denial based upon reason code "976" is not supported.

3. 28 Texas Administrative Code §134.402(d) states " For coding, billing, and reporting, of facility services covered in this rule, Texas workers' compensation system participants shall apply the Medicare payment policies in effect on the date a service is provided with any additions or exceptions specified in this section."

CPT code 29875 is defined as "Arthroscopy, knee, surgical; synovectomy, limited (eg, plica or shelf resection) (separate procedure)."

28 Texas Administrative Code §134.402(f)(1)(A) states "The reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical

Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the *Federal Register*. Reimbursement shall be based on the fully implemented payment amount as in ADDENDUM AA, ASC COVERED SURGICAL PROCEDURES FOR CY 2008, published in the November 27, 2007 publication of the *Federal Register*, or its successor. The following minimal modifications apply: (1) Reimbursement for non-device intensive procedures shall be: (A) The Medicare ASC facility reimbursement amount multiplied by 235 percent.”

To determine the maximum allowable reimbursement (MAR) the Division gathered the following factors to be used in the calculations:

According to Addendum AA, CPT code 29875 is a non-device intensive procedure.

The City Wage Index for Abilene, Texas is 0.8003.

The Medicare fully implemented ASC reimbursement for code 29875CY 2011 is \$1,161.03.

To determine the geographically adjusted Medicare ASC reimbursement for code 29875:

The Medicare fully implemented ASC reimbursement rate of \$1,161.03 is divided by 2 = \$580.51

This number multiplied by the City Wage Index is $\$580.51 \times 0.8003 = \464.58 .

Add these two together $\$580.51 + \$464.58 = \$1,045.09$.

To determine the MAR multiply the geographically adjusted Medicare ASC reimbursement by the DWC payment adjustment factor of 235%

$\$1,045.09 \times 235\% = \$2,455.96$. Code 29875 is subject to multiple procedure discounting; therefore, $\$2,455.96 \times 50\% = \$1,227.98$. The respondent paid \$164.47. The difference between the MAR and amount paid is \$1,063.51. As a result, \$1,063.51 is recommended for additional reimbursement.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$1,063.51.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$1,063.51 plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this Order.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

01/16/2014

Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party.**

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.