



**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](http://www.tdi.texas.gov)

**MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION**

**GENERAL INFORMATION**

**Requestor Name**

DR. R. WADE MCKENNA

**Respondent Name**

LIBERTY MUTUAL FIRE INSURANCE

**MFDR Tracking Number**

M4-13-1957

**Carrier's Austin Representative**

Box Number 01

**MFDR Date Received**

APRIL 2, 2013

**REQUESTOR'S POSITION SUMMARY**

**Requestor's Position Summary:** "Medically Necessary."

**Amount in Dispute:** \$1,154.00

**RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary:** "CPT 20926 was denied as the medical efficacy of this procedure has not been established. This code was billed for the procedure described in the op report as 'instillation of platelet-rich plasma with fat graft' and 'Bio D amniotic fluid injection to rotator cuff repair'...According to the National Correct Coding Initiative Policy Manual for Medicare Services, Revision 01-01-13, #6. CPT code 20926 describes a graft of 'other' tissues such as paratenon, fat, or dermis. Similar to other graft codes, this code may not be reported with another code where the code descriptor includes procurement of the graft. Additionally, CPT code 20926 may be reported only if another graft HCPCS/CPT code does not more precisely describe the nature of the graft. CPT 0232T is described as Injection(s), platelet rich plasma, any site, including image guidance, harvesting and preparation when performed. This code best describes the procedure documented as performed; therefore CPT 20926 should not be billed according to National Correct Coding Initiatives Policy Manual for Medicare Service, Revision 01-01-13, #6. This procedure code is also non-covered by Medicare. Our denial is supported as an investigational procedure not separately preauthorized by TDI rules and not payable per Medicare (CMS) as stated above."

**Response Submitted By:** Liberty Mutual Insurance Co.

**SUMMARY OF FINDINGS**

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
January 23, 2013	CPT Code 20926-51 Tissue grafts, other (eg, paratenon, fat, dermis)	\$1,154.00	\$430.15

**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**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving a medical fee dispute.
2. 28 Texas Administrative Code §134.203, effective March 1, 2008, sets the reimbursement guidelines for the disputed service.
3. The services in dispute were reduced/denied by the respondent with the following reason codes:
  - 56-Claim/service denied because procedure/treatment has not been deemed 'proven to be effective' by the payer.
  - 667-The medical efficacy of this procedure has not been established.
  - 193-Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.

## **Issues**

1. Does a preauthorization issue exist?
2. Is the requestor entitled to reimbursement for code 20926-51?

## **Findings**

1. 28 Texas Administrative Code §133.307(d)(2)(F) states, "The response shall address only those denial reasons presented to the requestor prior to the date the request for MFDR was filed with the division and the other party. Any new denial reasons or defenses raised shall not be considered in the review. If the response includes unresolved issues of compensability, extent of injury, liability, or medical necessity, the request for MFDR will be dismissed in accordance with subsection (f)(3)(B) or (C) of this section."

The respondent states in the position summary that "Our denial is supported as an investigational procedure not separately preauthorized by TDI rules and not payable per Medicare (CMS) as stated above."

A review of the submitted documentation, including explanation of benefits, finds that the issue of preauthorization was not raised prior to the request for medical fee dispute resolution. In accordance with 28 Texas Administrative Code §133.307(d)(2)(F) the issue of preauthorization will not be considered in this review.

2. The respondent denied reimbursement for code 20926 based upon reason codes "56" and "667."

CPT code 20926 is defined as "Tissue grafts, other (eg, paratenon, fat, dermis)."

28 Texas Administrative Code §134.203(b)(1) "For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules."

Per National Correct Coding Initiative Manual, Chapter 4, "CPT code 20926 describes a graft of "other" tissues such as paratenon, fat, or dermis. Similar to other graft codes, this code may not be reported with another code where the code descriptor includes procurement of the graft. Additionally, CPT code 20926 may be reported only if another graft HCPCS/CPT code does not more precisely describe the nature of the graft."

The respondent contends that reimbursement is not due because "CPT 0232T is described as Injection(s), platelet rich plasma, any site, including image guidance, harvesting and preparation when performed. This code best describes the procedure documented as performed; therefore CPT 20926 should not be billed according to National Correct Coding Initiatives Policy Manual for Medicare Service, Revision 01-01-13, #6."

A review of the Operative report indicates "Through a separate incision just away from the incision, but still within the same sterile field, an incision is made. Fat cells under suction and under direct visualization are withdrawn from the wound just proximal to what will become the injection site for the lipophilic characteristic of the fat to aid as a fat graft."

The Division finds that the requestor supported billing CPT code 20926; therefore, reimbursement is recommended.

Per 28 Texas Administrative Code §134.203(c)(1)(2), "To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications.

(1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is \$52.83. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32.

(2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar year. The following hypothetical example illustrates this annual adjustment activity if the Division had been using this MEI annual percentage adjustment: The 2006 Division conversion factor of \$50.83 (with the exception of surgery) would have been multiplied by the 2007 MEI annual percentage increase of 2.1 percent, resulting in the \$51.90 (with the exception of surgery) Division conversion factor in 2007."

To determine the MAR the following formula is used: (DWC Conversion Factor/Medicare Conversion Factor) X Participating Amount = Maximum Allowable Reimbursement (MAR).

The 2013 DWC conversion factor for this service is 69.43.

The Medicare Conversion Factor is 34.023

Review of Box 32 on the CMS-1500 the services were rendered in zip code 76234, which is located in Decatur, TX; therefore, the Medicare participating amount is based on locality "Rest of Texas".

The Medicare participating amount for code 20926 is \$421.58.

Using the above formula, the MAR is \$860.31; however, this code is subject to multiple procedure rule discounting = \$430.15. This amount 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 \$430.15.

### **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 \$430.15 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

\_\_\_\_\_  
Date

10/16/15

### **YOUR RIGHT TO APPEAL**

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, effective May 31, 2012, 37 *Texas Register* 3833, **applicable to disputes filed on or after June 1, 2012.**

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MDR decision shall deliver a copy of the request 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 §141.1(d).

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