



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

VICTORY MEDICAL CENTER

Respondent Name

TEXAS MUTUAL INSURANCE CO

MFDR Tracking Number

M4-13-0525-01

Carrier's Austin Representative

Box Number 54

MFDR Date Received

October 22, 2012

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Because Victory Medical Center – Houston does not have a Medicare Provider Number, we calculate the DRG allowable by using their sister hospital, Victory Medical Center – San Antonio's (formally Innova Hospital) allowed amount and add 5% for Houston, based on payments received at Houston area hospitals... According to the explanation of benefits that we received, we were only allowed \$14,169.84 for the DRG. According to our calculation, we are still entitled to an additional amount of \$8,471.82."

Amount in Dispute: \$8,471.82

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The requestor provided surgical services to the claimant on the dates above then billed Texas Mutual \$278,168.05 for this. The requestor, though satisfied with the implant payment, argues it was shorted on the 108% of the DRG payment. Texas Mutual does not agree. The requestor's solution to the failure to have a Medicare certification number to input into the IPPS PRICER was to use a sister hospital's, in Bexar county, Medicare number in the PRICER with a 5% add-on. Texas Mutual used a payment method from Tricare, which is compatible with Medicare. Texas Mutual mapped the requestor's zip code to the wage index for the geographic area. The wage index was multiplied by the labor portion of that index. The result was then multiplied by an adjusted standard amount (ASA) from Tricare. The non-labor portion was multiplied by the ASA and that result was added to the adjusted labor portion. Then the weight of MS-DRG 460, from the requestor's bill, is multiplied by the wage adjusted ASA. This was then multiplied by 108%. That final amount was \$14,169.84, an amount Texas Mutual believes is more rigorously arrived at than the requestor's method. No additional payment is due."

Response Submitted by: Texas Mutual Insurance Company

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
April 11, 2012 – April 12, 2012	In Patient Facility Charges	\$8,471.82	\$0.00

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 medical fee disputes.
- 28 Texas Administrative Code §134.1 sets forth general provisions related to medical reimbursement.
- 28 Texas Administrative Code §134.404 sets out the Inpatient Hospital Facility Fee Guideline.
- Texas Labor Code §413.011 sets forth provisions regarding reimbursement policies and guidelines.

5. The services in dispute were reduced/denied by the respondent with the following reason codes:
- Note: No provider number provided for this hospital or hospital Medicare number used to determine the Medicare rate.
 - CAC-W1 – Workers Compensation State Fee Schedule Adjustment.
 - CAC-193 – Original payment decision is being maintained, upon review, it was determined that this claim was processed properly.
 - CAC 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
 - F03 – A Medicare number is required to calculate the CMS inpatient reimbursement.
 - 217 – The value of this procedure is included in the value of another procedure performed on this date.
 - 897 – Separate reimbursement for implantables made in accordance with DWC rule chapter 134...
 - 468 – Reimbursement is based on the medical hospital inpatient prospective payment system methodology.

Issues

1. What is the applicable rule for determining reimbursement for the disputed services?
2. Did the Requestor submit sufficient documentation to meet the requirements outlined in 28 Texas Administrative Code §134.1?
3. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor seeks reimbursement for inpatient hospital services rendered from April 11, 2012 through April 12, 2012. The Requestor billed the Respondent \$278,168.05, received payment from the Respondent in the amount of \$53,748.68, and is requesting an additional payment in the amount of \$8,471.82. The Requestor seeks reimbursement under 28 Texas Administrative Code §134.404. The Requestor acknowledges that the hospital is not a Medicare certified hospital and asserts that, "... we calculate the DRG allowable by using their sister hospital, Victory Medical Center – San Antonio's (Formally Innova Hospital)."

Per 28 Texas Administrative Code §134.404 (f)(1), "(f) The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Inpatient Prospective Payment System (IPPS) reimbursement formula and factors as published annually in the *Federal Register*. The following minimal modifications shall be applied. (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by: (A) 143 percent; unless (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 108 percent."

The Division finds that the provisions of Per 28 Texas Administrative Code §134.404 (f) (1) do not apply, as the facility does not have a "Medicare facility specific amount." As a result, this dispute relates to inpatient hospital services with reimbursement subject to 28 Texas Administrative Code §134.1, effective March 1, 2008, 33 *Texas Register* 626. 28 Texas Administrative Code §134.1 requires that, in the absence of an applicable fee guideline or a negotiated contract, reimbursement for health care not provided through a workers' compensation health care network shall be made in accordance with subsection §134.1(f) which states, that "Fair and reasonable reimbursement shall: (1) be consistent with the criteria of Labor Code §413.011; (2) ensure that similar procedures provided in similar circumstances receive similar reimbursement; and (3) be based on nationally recognized published studies, published Division medical dispute decisions, and/or values assigned for services involving similar work and resource commitments, if available."

Former Texas Labor Code §413.011(d) requires that fee guidelines must be fair and reasonable and designed to ensure the quality of medical care and to achieve effective medical cost control. The guidelines may not provide for payment of a fee in excess of the fee charged for similar treatment of an injured individual of an equivalent standard of living and paid by that individual or by someone acting on that individual's behalf. It further requires that the Division consider the increased security of payment afforded by the Act in establishing the fee guidelines.

2. 28 Texas Administrative Code §133.307(c)(2)(O), requires the requestor to provide "... documentation that discusses, demonstrates, and justifies that the payment amount being sought is a fair and reasonable rate of reimbursement in accordance with §134.1 of this title (relating to Medical Reimbursement) or §134.503 of this title (relating to Pharmacy Fee Guideline) when the dispute involves health care for which the division has not established a maximum allowable reimbursement (MAR) or reimbursement rate, as applicable."

28 Texas Administrative Code 134.1(f) (2) requires that "fair and reasonable reimbursement" shall "...ensure that similar procedures provided in similar circumstances receive similar reimbursement..." Review of the submitted documentation finds that:

- In support of the requested reimbursement methodology, the requestor seeks reimbursement by using the following “Because Victory Medical Center – Houston does not have a Medicare Provider Number, we calculate the DRG allowable by using their sister hospital, Victory Medical Center – San Antonio’s (formally Innova Hospital) allowed amount and add 5% for Houston, based on payments received at Houston area hospitals... According to the explanation of benefits that we received, we were only allowed \$14,169.84 for the DRG. According to our calculation, we are still entitled to an additional amount of \$8,471.82.”
 - The requestor did not submit documentation to support the Medicare payment calculation for the services in dispute.
 - The Division disagrees that the fee guidelines as set forth in §134.404 are “presumptively fair and reasonable reimbursement under the law.” No documentation was found to support such a presumption under law.
 - While the Division has previously found that Medicare patients are of an equivalent standard of living to workers’ compensation patients (22 *Texas Register* 6284), Texas Labor Code §413.011(b) requires that “In determining the appropriate fees, the commissioner shall also develop one or more conversion factors or other payment adjustment factors taking into account economic indicators in health care and the requirements of Subsection (d) ... This section does not adopt the Medicare fee schedule, and the commissioner may not adopt conversion factors or other payment adjustment factors based solely on those factors as developed by the federal Centers for Medicare and Medicaid Services.”
 - The requestor did not discuss or present documentation to support how applying the proposed payment adjustment factors as adopted in 28 Texas Administrative Code §134.404, effective for dates of service on or after March 1, 2008, would provide fair and reasonable reimbursement for the disputed services during the time period that treatment was rendered to the injured worker.
 - The requestor did not submit nationally recognized published studies, published Division medical dispute decisions, or documentation of values assigned for services involving similar work and resource commitments to support the alternative requested reimbursement.
 - The requestor did not support that the requested alternative reimbursement methodology would satisfy the requirements of 28 Texas Administrative Code §134.1.
3. The requestor did not support that payment of the requested amount would satisfy the requirements of 28 Texas Administrative Code §134.1(f) (2). Thorough review of the submitted documentation finds that the requestor has not demonstrated or justified that payment of the amount sought would be a fair and reasonable rate of reimbursement for the services in dispute. Additional payment cannot be recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has failed to establish that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 reimbursement for the services in dispute.

Authorized Signature

Signature	Medical Fee Dispute Resolution Officer	January 15, 2016 Date
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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).