



# 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**

Jacob Rosenstein

**Respondent Name**

Liberty Insurance Corp

**MFDR Tracking Number**

M4-13-2320-01

**Carrier's Austin Representative**

Box Number 01

**MFDR Date Received**

May 10, 2013

#### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "...These procedures were documented and preauthorized correctly. The operative report describes each procedure billed."

**Amount in Dispute:** \$8,750.00

#### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "It is our opinion, CPT 22554, 63075 and 77002 were incorrectly coded by the provider. ...Liberty Mutual believes that USMD Hospital/Dr. Jacob Rosenstein has been appropriately reimbursed for services rendered to (injured employee) for the 5/10/2012 date(s) of service."

**Response Submitted by:** Liberty Insurance Corp

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
May 10, 2012	22554, 63075, 77002	\$8,750.00	\$2,249.04

#### 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 §134.203 sets out the reimbursement guidelines for professional medical services.

The services in dispute were reduced/denied by the respondent with the following reason codes:

- X263 – The code billed does not meet the level/description of the procedure performed/documented.
- Z710 – The charge for this procedure exceeds the fee schedule allowance

#### **Issues**

1. Did the respondent support denial of disputed services?
2. What is the applicable rule regarding fees?

3. Is the requestor entitled to reimbursement?

**Findings**

1. The carrier denied the disputed services as, X263 – “The code billed does not meet the level/description of the procedure performed/documented.” Per 28 Texas Administrative Code §134.203 (b) For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) 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. Review of the submitted documentation finds the following;
  1. CPT code 63075 is described as, “Discectomy, anterior, with decompression of spinal cord and/or nerve root(s). Including osteophyctomy; cervical, single interspace
  2. Operative report page three of four states in pertinent sections, “A central right-sided disk herniation was found and removed. There were large osteophytes present. These were drilled off with a TPS drill. Bilateral C5-C6 foraminotomies were performed with good decompression of the exiting C6 nerve roots.”

The Division finds the carrier’s decision is not supported. The services in dispute will be reviewed per applicable rules and fee guidelines.

2. 28 Texas Administrative Code §134.203 (c) 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 (date of service yearly conversion factor). For Surgery when performed in a facility setting, the established conversion factor to be applied is (date of service yearly conversion factor). Payment calculations are as follows;
  - Per Medicare National Correct Coding Initiatives, procedure code 22554, service date May 10, 2012, may not be reported with the procedure code for another service billed on this same claim.
  - Procedure code 63075, service date May 10, 2012, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 19.6 multiplied by the geographic practice cost index (GPCI) for work of 1 is 19.6. The practice expense (PE) RVU of 15.02 multiplied by the PE GPCI of 0.979 is 14.70458. The malpractice RVU of 6.11 multiplied by the malpractice GPCI of 0.826 is 5.04686. The sum of 39.35144 is multiplied by the Division conversion factor of \$68.88 for a MAR of \$2,710.53.
  - Per Medicare National Correct Coding Initiatives, procedure code 77002, service date May 10, 2012, may not be reported with the procedure code for another service billed on this same claim.
  - Procedure code 22845, service date May 10, 2012, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 11.94 multiplied by the geographic practice cost index (GPCI) for work of 1 is 11.94. The practice expense (PE) RVU of 6.33 multiplied by the PE GPCI of 0.979 is 6.19707. The malpractice RVU of 3.66 multiplied by the malpractice GPCI of 0.826 is 3.02316. The sum of 21.16023 is multiplied by the Division conversion factor of \$54.86 for a MAR of \$1,160.85.
  - Procedure code 22851, service date May 10, 2012, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 6.7 multiplied by the geographic practice cost index (GPCI) for work of 1 is 6.7. The practice expense (PE) RVU of 3.57 multiplied by the PE GPCI of 0.979 is 3.49503. The malpractice RVU of 1.89 multiplied by the malpractice GPCI of 0.826 is 1.56114. The sum of 11.75617 is multiplied by the Division conversion factor of \$54.86 for a MAR of \$644.94.
  - Per Medicare National Correct Coding Initiatives, procedure code 38220, service date May 10, 2012, may not be reported with the procedure code for another service billed on this same claim.
3. The total allowable reimbursement for the services in dispute is \$4,516.32. This amount less the amount previously paid by the insurance carrier of \$2,267.28 leaves an amount due to the requestor of \$2,249.04. This amount is recommended.

**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 \$2,249.04.

**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 \$2,249.04 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	August , 2014 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).

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