



# 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**

Texas Health of Arlington

**Respondent Name**

Liberty Mutual Fire Insurance

**MFDR Tracking Number**

M4-15-1318-01

**Carrier's Austin Representative**

Box Number 01

**MFDR Date Received**

December 30, 2014

#### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "Please note their EOB states this HCPC is bundled per the NCCI edits, which we show is not true, it is payable per NCCI edits. Also they paid one unit for HCPC 96375 but there were two units billed."

**Amount in Dispute:** \$291.27

#### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "The charges have been reviewed and Rechecked by using the CCE Pricer Tool and found that total reimbursement due for this date of service is 596.98. Attached is a copy of the CCE pricer tool showing calculation of reimbursement, total reimbursement of 298.49 x 200%=596.98... and this amount has been paid..."

**Response Submitted by:** Liberty Mutual Insurance

#### SUMMARY OF FINDINGS

Date(s) of Service	Disputed Services	Amount In Dispute	Amount Due
March 5, 2014	Outpatient Hospital Services	\$291.27	\$8.92

#### 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 §134.403 sets out the fee guidelines for outpatient acute care hospital services.
- The services in dispute were reduced/denied by the respondent with the following reason codes:
  - U634 – Procedure code not separately payable under Medicare and or fee schedule guidelines
  - Z710 – The charge for this procedure exceeds the fee schedule allowance
  - MX60 – Per NCCI, the procedure code is denied, based on standard of medical, surgical practice. Procedure

included in 99283.

- W3 – Additional payment made on appeal/reconsideration

### **Issues**

1. What is the applicable rule for determining reimbursement for the disputed services?
2. What is the recommended payment amount for the services in dispute?
3. Is the requestor entitled to reimbursement?

### **Findings**

1. 28 Texas Administrative Code §134.403 states in pertinent part (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 Outpatient Prospective Payment System (OPPS) 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) 200 percent;

2. Under the Medicare Outpatient Prospective Payment System (OPPS), each billed service is assigned an Ambulatory Payment Classification (APC) based on the procedure code used, the supporting documentation and the other services that appear on the bill. A payment rate is established for each APC. Payment for ancillary and supportive items and services, including services that are billed without procedure codes, is packaged into payment for the primary service. A full list of APCs is published quarterly in the OPPS final rules which are publicly available through the Centers for Medicare and Medicaid Services (CMS) website. Reimbursement for the disputed services is calculated as follows:
  - Procedure code A4565 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
  - Procedure code 73030 has a status indicator of X, which denotes ancillary services paid under OPPS with separate APC payment. These services are classified under APC 0260, which, per OPPS Addendum A, has a payment rate of \$57.35. This amount multiplied by 60% yields an unadjusted labor-related amount of \$34.41. This amount multiplied by the annual wage index for this facility of 0.9549 yields an adjusted labor-related amount of \$32.86. The non-labor related portion is 40% of the APC rate or \$22.94. The sum of the labor and non-labor related amounts is \$55.80. The cost of these services does not exceed the annual fixed-dollar threshold of \$2,900. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line is \$55.80. This amount multiplied by 200% yields a MAR of \$111.60.
  - The National Correct Coding Initiative Policy Manual for Medicare Services, Chap11-CPTcodes90000-99999\_final10312013.doc, Revision Date: 1/1/2014, CPT Codes 90000 – 99999 states in pertinent part, “Under OPPS, hospitals may report drug administration services (CPT codes 96360-96376) and chemotherapy administration services (CPT codes 96401-96425) with facility based evaluation and management codes (e.g., 99212-99215) if the evaluation and management service is significant and separately identifiable. In these situations modifier 25 should be appended to the evaluation and management code.” Review of the submitted documentation does not support the service in dispute was significant and separately identifiable. Separate payment is not recommended.
  - Procedure code 96375 has a status indicator of S, which denotes a significant procedure, not subject to multiple-procedure discounting, paid under OPPS with separate APC payment. These services are classified under APC 0437, which, per OPPS Addendum A, has a payment rate of \$43.78. This amount multiplied by 60% yields an unadjusted labor-related amount of \$26.27. This amount multiplied by the annual wage index for this facility of 0.9549 yields an adjusted labor-related amount of \$25.09. The non-labor related portion is 40% of the APC rate or \$17.51. The sum of the labor and non-labor related amounts is \$42.60 multiplied by 2 units is \$85.20. The cost of these services does not exceed the annual fixed-dollar threshold of \$2,900. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line is \$85.20. This amount multiplied by 200% yields a MAR of \$170.40.

- Procedure code 99283 has a status indicator of V, which denotes a clinic or emergency department visit paid under OPPTS with separate APC payment. These services are classified under APC 0614, which, per OPPTS Addendum A, has a payment rate of \$166.45. This amount multiplied by 60% yields an unadjusted labor-related amount of \$99.87. This amount multiplied by the annual wage index for this facility of 0.9549 yields an adjusted labor-related amount of \$95.37. The non-labor related portion is 40% of the APC rate or \$66.58. The sum of the labor and non-labor related amounts is \$161.95. The cost of these services does not exceed the annual fixed-dollar threshold of \$2,900. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line is \$161.95. This amount multiplied by 200% yields a MAR of \$323.90.
  - Procedure code J1885 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
  - Procedure code J2270 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
  - Procedure code J2405 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
3. The total allowable reimbursement for the services in dispute is \$605.90. This amount less the amount previously paid by the insurance carrier of \$596.98 leaves an amount due to the requestor of \$8.92. 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 \$8.92.

***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 \$8.92, 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	July , 2015 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.**