



**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**

Shannon Clinic

**Respondent Name**

Old Republic Insurance Co

**MFDR Tracking Number**

M4-15-2874-01

**Carrier's Austin Representative**

Box Number 44

**MFDR Date Received**

May 5, 2015

**REQUESTOR'S POSITION SUMMARY**

**Requestor's Position Summary:** Our physical therapy charges have been denied incorrectly. A total of 7 charge lines, including required modality codes/modifiers were billed. The two denials we have received reflect our claim has not been processed as billed to include all charge lines."

**Amount in Dispute:** \$337.00

**RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary:** "Provider is billing G0283/GP which is not one of the required functional G-codes and modifiers. Denial is appropriate."

**Response Submitted by:** Gallagher Bassett

**SUMMARY OF FINDINGS**

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
November 19, 2014	97001, G0283, 97010, 97140, 97110, G8978, G8979	\$337.00	\$246.31

**FINDINGS AND DECISION**

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable 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 insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 1 – Required function-related G-codes or modifiers not included on the bill.
  - 999 – We are unable to recommend an additional allowance since this claim was paid in accordance with the state's fee schedule guidelines.

## Issues

1. Are the insurance carrier's reasons for denial or reduction of payment supported?
2. Is the requestor entitled to additional reimbursement?

## Findings

1. The insurance carrier denied disputed services with claim adjustment reason code 1 – “Required function-related G-codes or modifiers not included on the bill.” 28 Texas Administrative Code §134.203 (b) states in pertinent part, “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;”. Review of the submitted documentation finds;
  - a. Two CMS 1500 claims forms. One contains 5 lines with codes 97001 –GP, G0283 –GP, 97010 –GP, 97140 –GP, and 97110 –GP.
  - b. The second claim form contains G8978 –GP, CK, and G8979 –GP, CI.
  - c. Reconsideration request from provider states, “We submitted appeal with two 1500 forms that include 7 charge lines...”

Based on the documentation presented, the required function related codes were submitted with the claim and again at the time of request for reconsideration. The Carrier's denial is not supported. The services in dispute will be reviewed per applicable rules and fee guidelines. The maximum allowable reimbursement is calculated as follows;

- Procedure code 97001, service date November 19, 2014, 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 1.2 multiplied by the geographic practice cost index (GPCI) for work of 1 is 1.2. The practice expense (PE) RVU of 0.87 multiplied by the PE GPCI of 0.916 is 0.79692. The malpractice RVU of 0.05 multiplied by the malpractice GPCI of 0.816 is 0.0408. The sum of 2.03772 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$113.60. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$113.60.
- Procedure code G0283, service date November 19, 2014, 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 0.18 multiplied by the geographic practice cost index (GPCI) for work of 1 is 0.18. The practice expense (PE) RVU of 0.2 multiplied by the PE GPCI of 0.916 is 0.1832. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.816 is 0.00816. The sum of 0.37136 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$20.70. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$15.60.
- Procedure code 97010, service date November 19, 2014, has a status indicator of B, which denotes a bundled code. Payments for these services are always bundled into payment for other services to which they are incident.
- Procedure code 97140, service date November 19, 2014, 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 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1 is 0.43. The practice expense (PE) RVU of 0.4 multiplied by the PE GPCI of 0.916 is 0.3664. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.816 is 0.00816. The sum of 0.80456 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$44.85. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of

the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$34.64.

- Procedure code 97110, service date November 19, 2014, 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 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1 is 0.45. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 0.916 is 0.40304. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.816 is 0.00816. The sum of 0.8612 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$48.01. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$36.78 at 2 units is \$73.56.
2. The total allowable reimbursement for the services in dispute is \$246.31. This amount less the amount previously paid by the insurance carrier of \$0.00 leaves an amount due to the requestor of \$246.31. 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 \$246.31.

### **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 \$246.31 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	_____ May 27, 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, 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 MFDR 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.**