



# 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**

Pain & Recovery Clinic - North

**Respondent Name**

Hartford Underwriters Insurance

**MFDR Tracking Number**

M4-15-2955-01

**Carrier's Austin Representative**

Box Number 47

**MFDR Date Received**

May 12, 2015

#### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "After requesting reconsideration with corrected modifier...We feel that our facility should be paid according to the fee schedule guidelines."

**Amount in Dispute:** \$1724.80

#### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "Our investigation found the following:

- 05/14/14 – PLN 11 filed maintaining the compensable injury to be limited to an open wound of the left fourth finger and right inguinal hernia."

**Response Submitted by:** The Hartford

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
May 15 – June 13, 2014	Physical Therapy (97110, 97140, 97112, & 97014)	\$1724.80	\$365.85

#### 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**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.203 sets out the guidelines for billing and reimbursing professional medical services.
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 4 – The procedure code is inconsistent with the modifier used or a required modifier is missing.

- TXM9 – The procedure code is inconsistent with the modifier used or a required modifier is missing. Reimbursement is made based on Medicare coding, billing and reimbursement methodologies.
- 107 – Claim/service denied because the related or qualifying claim/service was not previously paid or identified on this claim.
- 246 – This procedure is inappropriately billed. It should only be billed in conjunction with appropriate required code.
- W1 – Workers compensation state fee schedule adjustment.
- 309 – The charge for this procedure exceeds the fee schedule allowance.
- W3 – Additional payment made on appeal/reconsideration.
- 133 – The disposition of this claim/service is pending further review.
- UNRL – Extent of injury not finally adjudicated. Reimbursement withheld – charge unrelated to compensable injury.
- 5359 – We are unable to process your re-billing, as the documentation does not specify the concern regarding the original analysis. Please re-submit with a copy of the original EOR and a clarification for the basis of the reconsideration.
- 193 – Original payment decision is being maintained. This claim was processed properly the first time.
- 1115 – We find the original review to be accurate and are unable to recommend any additional allowance.

### **Issues**

1. Does an unresolved extent of injury issue exist for this dispute?
2. Are the insurance carrier's reasons for denial or reduction of payment supported?
3. What is the Maximum Allowable Reimbursement (MAR) for the payable services in dispute?
4. Is the requestor entitled to additional reimbursement?

### **Findings**

1. The insurance carrier denied disputed dates of service May 21, 2014; May 30, 2014; June 6, 2014; and June 13, 2014 with claim adjustment reason code "UNRL – Extent of injury not finally adjudicated. Reimbursement withheld – charge unrelated to compensable injury." 28 Texas Administrative Code §133.307 (d)(2)(F) states, in relevant part, "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," and §133.307 (f)(3) states that "The division may dismiss a request for MFDR if: ... (C) the request contains an unresolved compensability, extent of injury, or liability dispute for the claim." Review of the submitted information finds that this extent of injury issue has not been adjudicated. Therefore, these dates of service will not be reviewed.

Further, 28 Texas Administrative Code §133.307 (d)(2)(F) states, in relevant part, "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." The submitted documentation does not find that the denials for May 15 and 20, 2014 in this dispute include extent of injury issues. Therefore, these dates of service will be reviewed according to applicable rules and statutes.

2. 28 Texas Administrative Code §134.203 (b) states, "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."

Date of service May 15, 2014, CPT Codes 97110, 97140, and 97112 were denied by the insurance carrier with claim adjustment codes "4 – The procedure code is inconsistent with the modifier used or a required modifier is missing," and "TXM9 – The procedure code is inconsistent with the modifier used or a required modifier is missing. Reimbursement is made based on Medicare coding, billing and reimbursement methodologies." Review of the documentation submitted finds a CMS-1500 form that indicates these codes

were billed with modifier “-GP.” The Medicare Claims Processing Manual Chapter 5 §20.1 indicates that therapy codes must be reported with modifiers “-GN,” “-GO,” or “-GP.” No other modifiers are indicated. The insurance carrier’s denial reason is not supported. The disputed services will therefore be reviewed per applicable Division rules and fee guidelines.

Date of service May 15, 2014, CPT Code 97014 was denied by the insurance carrier with claim adjustment code “246 – This procedure is inappropriately billed. It should only be billed in conjunction with appropriate required code.” CPT Code 97014 has a status indicator of I, which denotes codes that are not valid for Medicare purposes. The insurance carrier’s denial reason is supported. Therefore, additional reimbursement cannot be recommended for this code.

Date of service May 20, 2014, CPT Code 97110 was denied by the insurance carrier with claim adjustment codes “4 – The procedure code is inconsistent with the modifier used or a required modifier is missing,” and “TXM9 – The procedure code is inconsistent with the modifier used or a required modifier is missing. Reimbursement is made based on Medicare coding, billing and reimbursement methodologies.” Review of the documentation submitted finds a CMS-1500 form that indicates that this code was billed with modifier “-GP.” The Medicare Claims Processing Manual Chapter 5 §20.1 indicates that therapy codes must be reported with modifiers “-GN,” “-GO,” or “-GP.” No other modifiers are indicated. The insurance carrier’s denial reason is not supported. The disputed service will therefore be reviewed per applicable Division rules and fee guidelines.

3. In addition to 28 Texas Administrative Code §134.203 (b), noted above, §134.203 (c)(2) further states, in relevant part, “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 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, which is \$55.75 for 2014. Per Medicare Claims Processing Manual Chapter 5 §10.7, 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.

Procedure code 97112, service date May 15, 2014, represents a professional service with reimbursement determined per §134.203(c). For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.014 is 0.4563. The practice expense (PE) RVU of 0.48 multiplied by the PE GPCI of 1.004 is 0.48192. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.939 is 0.00939. The sum of 0.94761 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$52.83. This procedure has the highest PE for this date. The first unit is paid at \$52.83. Per §134.203(h), reimbursement is the lesser of the MAR or the provider's usual and customary charge. The lesser amount is \$51.80.

Procedure code 97110, service date May 15, 2014, represents a professional service with reimbursement determined per §134.203(c). For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.014 is 0.4563. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 1.004 is 0.44176. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.939 is 0.00939. The sum of 0.90745 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$50.59. This procedure does not have the highest PE for this date. The PE reduced rate is \$38.28 at 3 units is \$114.84.

Procedure code 97140, service date May 15, 2014, represents a professional service with reimbursement determined per §134.203(c). For this procedure, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1.014 is 0.43602. The practice expense (PE) RVU of 0.4 multiplied by the PE GPCI of 1.004 is 0.4016. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.939 is 0.00939. The sum of 0.84701 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$47.22. This procedure does not have the highest PE for this date. The PE reduced rate is \$36.03 at 2 units is \$72.06.

Procedure code 97110, service date May 20, 2014, represents a professional service with reimbursement determined per §134.203(c). For this procedure, the relative value (RVU) for work of 0.45 multiplied by the

geographic practice cost index (GPCI) for work of 1.014 is 0.4563. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 1.004 is 0.44176. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.939 is 0.00939. The sum of 0.90745 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$50.59. This procedure has the highest PE for this date. The first unit is paid at \$50.59. The PE reduced rate is \$38.28 at 2 units is \$76.56. The total is \$127.15.

4. The total allowable for the disputed services is \$365.85. The insurance carrier paid \$0.00. Therefore, an additional reimbursement of \$365.85 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 \$365.85.

**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 \$365.85 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

**Authorized Signature**

_____	<u>Laurie Garnes</u>	<u>June 17, 2015</u>
Signature	Medical Fee Dispute Resolution Officer	Date

**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.**