



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

Magnolia Strong Group, Inc.

Respondent Name

Texas Association of Counties RMP

MFDR Tracking Number

M4-15-3471-01

Carrier's Austin Representative

Box Number 01

MFDR Date Received

June 19, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "... authorization states the specific program, visits, and units that are approved."

Amount in Dispute: \$3850.00

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The carrier contends that it has properly paid for the services rendered as stated on the EORs submitted with the request for medical fee dispute resolution."

Response Submitted by: Parker & Associates, L.L.C.

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 23 – April 9, 2015	Brain Injury Rehabilitation Program (97532 & 97537)	\$3850.00	\$2080.50

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 guidelines for billing and reimbursing professional medical services.
- 28 Texas Administrative Code §134.600 sets out the guidelines for prospective review of health care.
- Texas Labor Code §408.021 establishes an injured employee's right to health care benefits.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 119 – Benefit maximum for this time period or occurrence has been reached.

- 168 – Billed charge is greater than maximum unit value or daily maximum allowance for physical therapy/physical medicine services.
- W3 – Additional payment made on appeal/reconsideration.
- 193 – Original payment decision is being maintained. This claim was processed properly the first time.
- 1014 – The attached billing has been re-evaluated at the request of the provider. Based on this re-evaluation, we find our original review to be correct. Therefore, no additional allowance appears to be warranted.

Issues

1. Did the disputed services exceed the benefit maximum for the time period or occurrence?
2. Did the billed charges exceed the maximum unit value or daily maximum allowance for physical therapy?
3. What is the Maximum Allowable Reimbursement (MAR) for the disputed services?
4. Is the requestor entitled to additional reimbursement for the disputed services?

Findings

1. The insurance carrier denied disputed services with claim adjustment reason code 119 – “BENEFIT MAXIMUM FOR THIS TIME PERIOD OR OCCURRENCE HAS BEEN REACHED.” Per Texas Labor Code §408.021(a), “An employee who sustains a compensable injury is entitled to all health care reasonably required by the nature of the injury as and when needed.” No documentation was found to support a benefit maximum or that the disputed services had exceeded it. Pre-authorization was found for the services in dispute, which supports the health care as reasonably necessary. Therefore, this payment denial reason is not supported.

2. The insurance carrier denied disputed services with claim adjustment reason code 168 – “BILLED CHARGE IS GREATER THAN MAXIMUM UNIT VALUE OR DAILY MAXIMUM ALLOWANCE FOR PHYSICAL THERAPY/PHYSICAL MEDICINE SERVICES.” 28 Texas Administrative Code §134.203 states,
 - (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.

No documentation was found to support a Medicare payment policy or Division exception regarding a maximum unit value or daily maximum allowance for physical therapy or physical medicine services. However, pre-authorization was found approving the disputed services to include the dates in question, allowing “a total of twenty-four (24) visits (four hundred thirty-two (432) units).” Dividing 432 units among 24 visits allows up to eighteen (18) units per visit. Charges for the disputed services did not exceed this limit. 28 Texas Administrative Code §134.600 (l) states, in relevant part, “The insurance carrier shall not withdraw a preauthorization or concurrent utilization review approval once issued...” This payment denial reason is not supported. These services will therefore be considered for reimbursement according to applicable Division rules and fee guidelines.

3. The disputed services represent professional medical services subject to the fee guidelines found in 28 Texas Administrative Code §134.203, which states,
 - (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 \$52.83...
 - (2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. 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. The Division conversion factor for 2015 is \$56.20. Medicare payment policies regarding multiple procedure payment reduction require that when more than one unit of designated therapy services is performed on the same date, 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. Reimbursement for the disputed services is calculated as follows:

- For CPT Code 97532 on March 23, 2015, the relative value (RVU) for work of 0.44 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.442200. The practice expense (PE) RVU of 0.30 multiplied by the PE GPCI of 0.995 is 0.298500. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.748420 is multiplied by the Division conversion factor of \$56.20 for a total of \$42.06. This total is multiplied by four units for a MAR of \$168.24.
- For CPT Code 97537 on March 23, 2015, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.452250. This procedure does not have the highest practice expense for this date. Using the multiple procedure payment reduction, 50 % of the practice expense (PE) RVU of 0.39 is 0.195, which is multiplied by the PE GPCI of 0.995 for a total of 0.194025. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.653995 is multiplied by the Division conversion factor of \$56.20 for a total of \$36.75. This total is multiplied by four units for a MAR of \$147.00.
- For CPT Code 97532 on March 30, 2015, the relative value (RVU) for work of 0.44 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.442200. The practice expense (PE) RVU of 0.30 multiplied by the PE GPCI of 0.995 is 0.298500. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.748420 is multiplied by the Division conversion factor of \$56.20 for a total of \$42.06. This total is multiplied by four units for a MAR of \$168.24.
- For CPT Code 97537 on March 30, 2015, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.452250. This procedure does not have the highest practice expense for this date. Using the multiple procedure payment reduction, 50 % of the practice expense (PE) RVU of 0.39 is 0.195, which is multiplied by the PE GPCI of 0.995 for a total of 0.194025. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.653995 is multiplied by the Division conversion factor of \$56.20 for a total of \$36.75. This total is multiplied by four units for a MAR of \$147.00.
- For CPT Code 97532 on March 31, 2015, the relative value (RVU) for work of 0.44 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.442200. The practice expense (PE) RVU of 0.30 multiplied by the PE GPCI of 0.995 is 0.298500. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.748420 is multiplied by the Division conversion factor of \$56.20 for a total of \$42.06. This total is multiplied by one unit for a MAR of \$42.06.
- For CPT Code 97537 on March 31, 2015, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.452250. This procedure does not have the highest practice expense for this date. Using the multiple procedure payment reduction, 50 % of the practice expense (PE) RVU of 0.39 is 0.195, which is multiplied by the PE GPCI of 0.995 for a total of 0.194025. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.653995 is multiplied by the Division conversion factor of \$56.20 for a total of \$36.75. This total is multiplied by four units for a MAR of \$147.00.
- For CPT Code 97532 on April 6, 2015, the relative value (RVU) for work of 0.44 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.442200. The practice expense (PE) RVU of 0.30 multiplied by the PE GPCI of 0.995 is 0.298500. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.748420 is multiplied by the Division

conversion factor of \$56.20 for a total of \$42.06. This total is multiplied by four units for a MAR of \$168.24.

- For CPT Code 97537 on April 6, 2015, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.452250. This procedure does not have the highest practice expense for this date. Using the multiple procedure payment reduction, 50 % of the practice expense (PE) RVU of 0.39 is 0.195, which is multiplied by the PE GPCI of 0.995 for a total of 0.194025. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.653995 is multiplied by the Division conversion factor of \$56.20 for a total of \$36.75. This total is multiplied by four units for a MAR of \$147.00.
- For CPT Code 97532 on April 7, 2015, the relative value (RVU) for work of 0.44 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.442200. The practice expense (PE) RVU of 0.30 multiplied by the PE GPCI of 0.995 is 0.298500. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.748420 is multiplied by the Division conversion factor of \$56.20 for a total of \$42.06. This total is multiplied by four units for a MAR of \$168.24.
- For CPT Code 97537 on April 7, 2015, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.452250. This procedure does not have the highest practice expense for this date. Using the multiple procedure payment reduction, 50 % of the practice expense (PE) RVU of 0.39 is 0.195, which is multiplied by the PE GPCI of 0.995 for a total of 0.194025. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.653995 is multiplied by the Division conversion factor of \$56.20 for a total of \$36.75. This total is multiplied by four units for a MAR of \$147.00.
- For CPT Code 97532 on April 8, 2015, the relative value (RVU) for work of 0.44 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.442200. The practice expense (PE) RVU of 0.30 multiplied by the PE GPCI of 0.995 is 0.298500. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.748420 is multiplied by the Division conversion factor of \$56.20 for a total of \$42.06. This total is multiplied by four units for a MAR of \$168.24.
- For CPT Code 97537 on April 8, 2015, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.452250. This procedure does not have the highest practice expense for this date. Using the multiple procedure payment reduction, 50 % of the practice expense (PE) RVU of 0.39 is 0.195, which is multiplied by the PE GPCI of 0.995 for a total of 0.194025. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.653995 is multiplied by the Division conversion factor of \$56.20 for a total of \$36.75. This total is multiplied by four units for a MAR of \$147.00.
- For CPT Code 97532 on April 9, 2015, the relative value (RVU) for work of 0.44 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.442200. The practice expense (PE) RVU of 0.30 multiplied by the PE GPCI of 0.995 is 0.298500. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.748420 is multiplied by the Division conversion factor of \$56.20 for a total of \$42.06. This total is multiplied by four units for a MAR of \$168.24.
- For CPT Code 97537 on April 9, 2015, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.452250. This procedure does not have the highest practice expense for this date. Using the multiple procedure payment reduction, 50 % of the practice expense (PE) RVU of 0.39 is 0.195, which is multiplied by the PE GPCI of 0.995 for a total of 0.194025. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.007720. The sum of 0.653995 is multiplied by the Division conversion factor of \$56.20 for a total of \$36.75. This total is multiplied by four units for a MAR of \$147.00.

4. The total MAR for the disputed services is \$2080.50. The insurance carrier paid \$0.00. Therefore, an additional reimbursement of \$2080.50 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 \$2080.50.

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 \$2080.50 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

	Laurie Garnes	July 29, 2015
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.