



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 Fort Worth

Respondent Name

Arch Insurance Co

MFDR Tracking Number

M4-16-0359-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

October 13, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Please submit this claim for the correct allowable per ASC Rule 134:402: Outpatient Hospital Rule 134.03, HCPS's are payable at 200% of the correct fee schedule allowable. We understand the carrier has denied any payment stating that the codes used are Q2's but you cannot really bundle a charge until you pay on one of the charges..."

Amount in Dispute: \$21,957.40

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Our Initial Response to the above referenced medical fee dispute resolution is as follows: We have escalated the bill in question for manual review to determine if additional monies are owed."

Response Submitted by: Gallagher Bassett

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
October 20, 2014	Outpatient Hospital Services	\$21,957.40	\$8,762.92

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 §134.403 sets out the reimbursement guidelines for outpatient facility services provided in an acute care hospital
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 16 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication

- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated
- P12 – (no narrative)
- 193 – (no narrative)

Issues

1. Are the insurance carrier’s reasons for denial or reduction of payment supported?
2. What is the rule applicable to reimbursement?
3. Is the requestor entitled to additional reimbursement?

Findings

1. 28 Texas Administrative Code 134.403 (d) states, “For coding, billing, reporting, and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided...” The carrier denied the services in dispute as 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated. Review of the Medicare Payment Policy found at www.cms.gov/medicare/coding/outpatientcodeedit/downloads/finalsumofdatachgngsspecv150_508.pdf,

Special processing conditions currently applied only to OPPTS claims: 12) Certain special HCPCS codes are always packaged when they appear with other specified services on the same day; however, they may be assigned to an APC and paid separately if there is none of the other specified service on the same day. Some codes are packaged in the presence of any payable code with status indicator of S, T, V or X (STVX-packaged, SI = Q1); other codes are packaged only in the presence of payable codes with status indicator T (T-packaged, SI = Q2). The OCE will change the SI from Q(#) to N for packaging, or to the SI and APC specified for the code when separately payable. If there are multiple STVX and/or T packaged HCPCS codes on a specific date and no service with which the codes would be packaged on the same date, the code assigned to the APC with the highest payment rate will be paid. All other codes are packaged.

The carrier’s denial is not supported. The services in dispute will be calculated per applicable rules and fee guidelines.

2. The services in dispute are for outpatient hospital services. 28 Texas Administrative Code 134.403 (f) states, 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

The services in dispute will be reviewed per applicable rules and fee guidelines.

- Procedure code 36224 has a status indicator of Q2, which denotes T-packaged codes; payment for these services is packaged into the payment for any other procedures with status indicator T that are billed for the same date of service. However, if there are multiple STVX and/or T packaged HCPCS codes on a specific date and no service with which the codes would be packaged on the same date, the code assigned to the APC with the highest payment rate will be paid. These services are classified under APC 0280, which, per OPPTS Addendum A, has a payment rate of \$4,513.62. This amount multiplied by 60% yields an unadjusted labor-related amount of \$2,708.17. This amount multiplied by the annual wage index for this facility of 0.9512 yields an adjusted labor-related amount of \$2,576.01. The non-labor related portion is 40% of the APC rate or \$1,805.45. The sum of the labor and non-labor related amounts is \$4,381.46. Per 42 Code of Federal Regulations §419.43(d) and Medicare Claims Processing Manual, CMS Publication 100-04, Chapter 4, §10.7.1, if the total cost for a service exceeds 1.75

times the OPPS payment and also exceeds the annual fixed-dollar threshold of \$2,900, the outlier payment is 50% of the amount by which the cost exceeds 1.75 times the OPPS payment. Per the OPPS Facility-Specific Impacts file, CMS lists the cost-to-charge ratio for this provider as 0.198. This ratio multiplied by the billed charge of \$6,474.34 yields a cost of \$1,281.92. The total cost of all packaged items is allocated proportionately across all separately paid OPPS services based on the percentage of the total APC payment. The APC payment for these services of \$4,381.46 divided by the sum of all APC payments is 100.00%. The sum of all packaged costs is \$3,164.17. The allocated portion of packaged costs is \$3,164.17. This amount added to the service cost yields a total cost of \$4,446.09. The cost of these services exceeds the annual fixed-dollar threshold of \$2,900. The amount by which the cost exceeds 1.75 times the OPPS payment is \$0.00. The total Medicare facility specific reimbursement amount for this line is \$4,381.46. This amount multiplied by 200% yields a MAR of \$8,762.92.

- Procedure code 36226 has a status indicator of Q2, which denotes T-packaged codes; payment for these services is packaged into the payment for any other procedures with status indicator T that are billed for the same date of service. This code may be separately payable only if no other such procedures are billed for the same date.
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 - Procedure code 36226 has a status indicator of Q2, which denotes T-packaged codes; payment for these services is packaged into the payment for any other procedures with status indicator T that are billed for the same date of service. This code may be separately payable only if no other such procedures are billed for the same date.
3. The total allowable reimbursement for the services in dispute is \$8,762.92. This amount less the amount previously paid by the insurance carrier of \$0.00 leaves an amount due to the requestor of \$8,762.92. 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 \$8,762.92.

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 \$8,762.92 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

November 30, 2015
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.