



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

Universal DME LLC

Respondent Name

Federal Insurance Co

MFDR Tracking Number

M4-16-0368-01

Carrier's Austin Representative

Box Number 17

MFDR Date Received

October 13, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "We should be paid for services rendered because we have submitted the appropriate paperwork needed for review."

Amount in Dispute: \$124.20

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "In conclusion, no reimbursement should be awarded to Requestor for these two items that were mutually exclusive to the continuous passive motion device billed as E0935."

Response Submitted by: Downs ♦ Stanford, PC

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Row 1: June 11, 2015, E0188, A9901, \$124.20, \$0.00

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 reimbursement guidelines for professional medical services.
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
• 11 – Diagnosis inconsistent with Procedure
• 234 – This procedure is not paid separately
• R38 – Included in another billed services
• NU – New Equipment

- W3 – Appeal/Reconsideration

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 service E0188 with claim/ adjustment reason code 11 – “Diagnosis Inconsistent with Procedure” and note “This item is used for treating decubitus ulcers.” 28 Texas Administrative Code §134.203 (b) requires that,

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 information finds that the submitted code “E0188” has a narrative description of “Synthetic sheepskin pad”. The narrative description from the “Delivery Ticket” states, “E0188-20533 / CPM Kit Knee Optiflex.” While Rule 134.203 (b) does not require a certain diagnosis, the Division finds the code submitted with this request is not supported therefore requirements of Rule 134.203 (b) are not met. No additional payment can be recommended.

The insurance carrier denied disputed service A9901 with claim adjustment/ reason code 234 – “This procedure is not paid separately.” Review of the applicable Medicare Policy is found at www.cms.hhs.gov, Claims Processing Manual, Chapter 4, Section 60,

Payment for Delivery and Service Charges for Durable Medical Equipment, (Rev. 1, 10-01-03) B3-5105

Delivery and service are an integral part of oxygen and durable medical equipment (DME) suppliers' costs of doing business. Such costs are ordinarily assumed to have been taken into account by suppliers (along with all other overhead expenses) in setting the prices they charge for covered items and services. As such, these costs have already been accounted for in the calculation of the fee schedules. Also, most beneficiaries reside in the normal area of business activity of one or more DME supplier(s) and have reasonable access to them.

Therefore, DME carriers may not allow separate delivery and service charges for oxygen or DME except as specifically indicated in §§90 or in rare and unusual circumstances when the delivery is not typical of the particular supplier's operation.

For example, there may be situations in which it is necessary for a DME dealer to incur extraordinary delivery expenses in order to meet the needs of beneficiaries living in remote areas that are not served by a local dealer or when a local dealer is temporarily out of stock of required oxygen or equipment. For example, DME carriers may recognize a reasonable separate delivery charge when the supplier must deliver an item of DME outside its normal area of business activity and the beneficiary does not have access to a supplier whose location is nearer.

When a supplier delivers oxygen or DME outside the area in which he/she normally does business, but the item could have been obtained locally, carriers may allow any separate additional delivery charge only to the extent that it does not raise the total payment for the oxygen or DME above the local fee schedule.

When a separate charge can be allowed for delivery/service, carriers base the amount (based on mileage or a flat rate) on all of the relevant circumstances, including:

- *The time and distance traveled;*
- *The actual additional expenses incurred by the supplier;*
- *The type and quantity of equipment or oxygen delivered;*

- *The supplier's customary charge under such circumstances;*
- *The prevailing charges in the locality under such circumstances; and*
- *Delivery charges made elsewhere in similar localities. Any separate delivery charges recognized because of unusual circumstances may, of course, be paid for only for deliveries that have actually been made.*

Suppliers must be advised in the carrier service areas to bill a separate delivery charge only in those rare situations in which "unusual circumstances" were encountered. Information issuances should be used to advise DME suppliers of the need to fully document unusual circumstances on claims/bills for separate delivery charges. If a supplier, nevertheless, routinely itemizes delivery charges, carriers may consider payment for the charges to be included in the fee for the equipment.

Review of the submitted documentation finds insufficient information to support that "unusual circumstances" required a separate charge for the delivery of the durable medical equipment. The carrier's denial is supported.

2. Pursuant to Rule 134.203 (b) no additional payment is recommended for the services in dispute.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 reimbursement for the disputed services.

Authorized Signature

Signature	Medical Fee Dispute Resolution Officer	November , 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.