



# 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 Stephenville

**Respondent Name**

American Zurich Insurance Co

**MFDR Tracking Number**

M4-16-1265-01

**Carrier's Austin Representative**

Box Number 19

**MFDR Date Received**

January 12, 2016

#### 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."

**Amount in Dispute:** \$319.02

#### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "Carrier asserts that it has correctly calculated reimbursement for this service date. Carrier has submitted the bill for another review and will supplement this response with the results of that audit."

**Response Submitted by:** Flahive, Ogden & Latson

#### SUMMARY OF FINDINGS

| Dates of Service | Disputed Services            | Amount In Dispute | Amount Due |
|------------------|------------------------------|-------------------|------------|
| January 16, 2015 | Outpatient Hospital Services | \$319.02          | \$319.02   |

#### 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 hospital services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - P12 – Workers' compensation jurisdictional fee schedule adjustment

## Issues

1. What is the applicable rule pertaining to reimbursement?
2. Is the requestor entitled to additional reimbursement?

## Findings

1. The services in dispute are related to services performed in an Outpatient Hospital setting. 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; unless

(B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent.

Review of the submitted claim finds implantables are not applicable therefore the maximum allowable reimbursement will be calculated per the provisions of Rule 134.403(f)(1)(A):

- Procedure code 96374 has a status indicator of S, which denotes a significant procedure, not subject to multiple-procedure discounting, paid under OPPS with separate APC payment. These services are classified under APC 0438, which, per OPPS Addendum A, has a payment rate of \$108.24. This amount multiplied by 60% yields an unadjusted labor-related amount of \$64.94. This amount multiplied by the annual wage index for this facility of 0.9281 yields an adjusted labor-related amount of \$60.27. The non-labor related portion is 40% of the APC rate or \$43.30. The sum of the labor and non-labor related amounts is \$103.57. The cost of these services does not exceed the annual fixed-dollar threshold of \$2,775. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line is \$103.57. This amount multiplied by 200% yields a MAR of \$207.14.
- Procedure code 96375 has a status indicator of S, which denotes a significant procedure, not subject to multiple-procedure discounting, paid under OPPS with separate APC payment. These services are classified under APC 0436, which, per OPPS Addendum A, has a payment rate of \$32.58. This amount multiplied by 60% yields an unadjusted labor-related amount of \$19.55. This amount multiplied by the annual wage index for this facility of 0.9281 yields an adjusted labor-related amount of \$18.14. The non-labor related portion is 40% of the APC rate or \$13.03. The sum of the labor and non-labor related amounts is \$31.17 multiplied by 2 units is \$62.34. The cost of these services does not exceed the annual fixed-dollar threshold of \$2,775. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line is \$62.34. This amount multiplied by 200% yields a MAR of \$124.68.
- Procedure code 99284 has a status indicator of Q3, which denotes conditionally packaged codes that may be paid through a composite APC if OPPS criteria are met; however, review of the submitted information finds that the criteria for composite payment have not been met. Therefore, this line may be paid separately. These services are classified under APC 0615, which, per OPPS Addendum A, has a payment rate of \$333.80. This amount multiplied by 60% yields an unadjusted labor-related amount of \$200.28. This amount multiplied by the annual wage index for this facility of 0.9281 yields an adjusted labor-related amount of \$185.88. The non-labor related portion is 40% of the APC rate or \$133.52. The sum of the labor and non-labor related amounts is \$319.40. The cost of these services does not exceed the annual fixed-dollar threshold of \$2,775. The outlier payment amount is \$0. The total Medicare facility specific reimbursement amount for this line is \$319.40. This amount multiplied by 200% yields a MAR of \$638.80.

2. The total allowable for the services in dispute is \$970.62. The carrier previously paid \$496.28. The requestor is seeking \$319.02. 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 \$319.02.

**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 \$319.02 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

\_\_\_\_\_  
Date

March 15, 2016

**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.**