



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

North Central Surgical Center

Respondent Name

Great American Alliance Insurance

MFDR Tracking Number

M4-16-1424-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

January 27, 2016

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The claim listed above was not processed according to Texas fee guidelines for outpatient services."

Amount in Dispute: \$2,871.65

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Subject to further review, the carrier asserts that it has paid according to applicable fee guidelines and challenges whether the disputed charges are consistent with applicable fee guidelines."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
September 3, 2015	Outpatient Hospital Services	\$2,871.65	\$2,870.64

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
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 350 – Bill has been identified as a request for reconsideration or appeal
 - 370 – This hospital outpatient allowance was calculated according to the APC rate, plus a markup
 - 59 – Processed based on multiple or concurrent procedure rules
 - 615 – Payment for this service has been reduced according to the Medicare multiple surgery guidelines

- 618 – The value of this procedure is packaged into the payment of other services performed on the same date of service.
- 95 – Plan procedures not followed
- P12 – Workers’ compensation jurisdictional fee schedule adjustment
- U03 – The billed service was reviewed by UR and authorized
- W3 – In accordance with TDI-DWC rule 134.804, this bill has been identified as a request for reconsideration or appeal

Issues

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

Findings

1. The insurance carrier reduced the disputed services with claim adjustment reason code 370 – “This hospital outpatient allowance was calculated according to the APC rate, plus a markup,” and 59 – “Processed based on multiple or concurrent procedure rules.”

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 with any additions or exceptions specified in this section, including the following paragraphs. “

Review of the Medicare Claims Processing Manual, Chapter 4 - Part B Hospital, <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c04.pdf>,

10.1.1 - Payment Status Indicators,

An OPPS payment status indicator is assigned to every HCPCS code. The status indicator identifies whether the service described by the HCPCS code is paid under the OPPS and if so, whether payment is made separately or packaged. The status indicator may also provide additional information about how the code is paid under the OPPS or under another payment system or fee schedule. For example, services with status indicator A are paid under a fee schedule or payment system other than the OPPS. Services with status indicator N are paid under the OPPS, but their payment is packaged into payment for a separately paid service. Services with status indicator T are paid separately under OPPS but a multiple procedure payment reduction applies when two or more services with a status indicator of T are billed on the same date of service.

Review of the submitted codes 15120 –LT, and 15002 –LT, finds a status indicator of “T”.

Per CMS, July 2015, Addendum B:

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates-Items/2015-July-Addendum-B.html?DLPage=1&DLEntries=10&DLSort=2&DLSortDir=descending>

Addendum B.-Final OPPS Payment by HCPCS Code for CY 2015

HCPCS Code	Short Descriptor	SI	APC	Payment Rate
15002	Wound prep trk/arm/leg"	T	0327	\$429.95
15120	Skn splnt a-grft fac/nck/hf/g"	T	0329	\$2,300.64

Review of the explanation of benefits dated December 7, 2015 finds the above amounts are not reflected in the allowed amounts. Therefore, the carriers’ reductions are not supported. The services in dispute will be reviewed per applicable rules and fee guidelines.

2. 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.
- (2) When calculating outlier payment amounts, the facility's total billed charges shall be reduced by the facility's billed charges for any item reimbursed separately under subsection (g) of this section.

Review of the submitted medical claim finds separate reimbursement for implantables is not applicable. The maximum allowable reimbursement for the services in dispute will be calculated as follows:

- Procedure code 15002 has a status indicator of T, which denotes a significant procedure subject to multiple-procedure discounting. The highest paying status T procedure is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. These services are classified under APC 0327, which, per OPPS Addendum A, has a payment rate of \$429.95. This amount multiplied by 60% yields an unadjusted labor-related amount of \$257.97. This amount multiplied by the annual wage index for this facility of 0.9512 yields an adjusted labor-related amount of \$245.38. The non-labor related portion is 40% of the APC rate or \$171.98. The sum of the labor and non-labor related amounts is \$417.36. 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, including multiple-procedure discount, is \$208.68. This amount multiplied by 200% yields a MAR of \$417.36.
 - Procedure code 15120 has a status indicator of T, which denotes a significant procedure subject to multiple-procedure discounting. The highest paying status T procedure is paid at 100%; all others are paid at 50%. This procedure is paid at 100%. These services are classified under APC 0329, which, per OPPS Addendum A, has a payment rate of \$2,300.64. This amount multiplied by 60% yields an unadjusted labor-related amount of \$1,380.38. This amount multiplied by the annual wage index for this facility of 0.9512 yields an adjusted labor-related amount of \$1,313.02. The non-labor related portion is 40% of the APC rate or \$920.26. The sum of the labor and non-labor related amounts is \$2,233.28. 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 \$2,233.28. This amount multiplied by 200% yields a MAR of \$4,466.56.
3. The total allowable reimbursement for the services in dispute is \$4,883.92. This amount less the amount previously paid by the insurance carrier of \$2,013.28 leaves an amount due to the requestor of \$2,870.64. 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 \$2,870.64.

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 \$2,870.64 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

February , 2016
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.