



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

KULM MEDICAL PA, DBA LIBERTY HEALTHCARE

Respondent Name

MITSUI SUMITOMO INSURANCE USA

MFDR Tracking Number

M4-16-1570-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

February 5, 2016

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "These codes were denied as 'pre-authorization absent'. Please see attached pre-authorization"

Amount in Dispute: \$569.48

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Please see the EOBs. There are precertification issues regarding some of the treatment codes/DOS."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
February 24, 2015 to March 19, 2015	Physical Therapy Services	\$569.48	\$461.98

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 fee guideline for professional medical services.
- 28 Texas Administrative Code §134.600 sets out rules regarding preauthorization of health care.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 197 – Payment adjusted for absence of precert/preauth
 - 59 – Distinct Procedural Service
 - GF – Service delivered under OP/PT care plan
 - 193 – Original payment decision maintained
 - W3 – Appeal/reconsideration

Issues

1. Are the insurance carrier's reasons for denial or reduction of payment supported?
2. What is the recommended reimbursement for the disputed professional medical services?
3. Is the requestor entitled to additional reimbursement?

Findings

1. The insurance carrier denied disputed services with claim adjustment reason code 197 – "Payment adjusted for absence of precert/preauth." 28 Texas Administrative Code §134.600 sets out the requirements for preauthorization of health care. The respondent's position statement asserts, "Please see the EOBs. There are precertification issues regarding some of the treatment codes/DOS." The respondent did not specify or submit any documentation to explain or support what the specific issues were regarding precertification of the disputed treatment codes/DOS. The healthcare provider, on the other hand, provided a copy of the precertification/authorization approval letter from utilization review agent Bunch CareSolutions, approving "Therapeutic exercise and myofacial release 3x/w for 4 weeks . . . Begin Service Date: 2/19/2015 . . . End Service Date: 4/17/2015 . . . Number of Visits/Service: 12." Review of the submitted information finds that the disputed services are therapeutic exercises and myofacial release performed between February 24, 2015 and March 19, 2015. The preponderance of the submitted evidence supports that the services were indeed preauthorized. The insurance carrier's denial reasons are not supported. The disputed services will therefore be reviewed for payment in accordance with applicable Division rules and fee guidelines.
2. This dispute regards professional medical services with reimbursement subject to the provisions of 28 Texas Administrative Code §134.203(c), which requires that:

To determine the MAR [Maximum Allowable Reimbursement] 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. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32.
- (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 a conversion factor. The MAR is calculated by substituting the Division conversion factor. The applicable Division conversion factor for calendar year 2015 is \$56.20.

Reimbursement is calculated as follows:

- For procedure code 97140, service date February 24, 2015, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1.018 is 0.43774. The practice expense (PE) RVU of 0.4 multiplied by the PE GPCI of 1.009 is 0.4036. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.00772. The sum of 0.84906 is multiplied by the Division conversion factor of \$56.20 for a MAR of \$47.72. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, 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. This procedure does not have the highest PE for this date. The PE reduced rate is \$36.38.

- For procedure code 97110, service date February 24, 2015, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.018 is 0.4581. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 1.009 is 0.44396. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.772 is 0.01544. The sum of 0.9175 is multiplied by the Division conversion factor of \$56.20 for a MAR of \$51.56. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, 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. This procedure has the highest PE for this date. The first unit is paid at \$51.56. The PE reduced rate is \$39.09 at 2 units is \$78.18. The total is \$129.74.
 - For procedure code 97140, service date March 11, 2015, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1.018 is 0.43774. The practice expense (PE) RVU of 0.4 multiplied by the PE GPCI of 1.009 is 0.4036. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.00772. The sum of 0.84906 is multiplied by the Division conversion factor of \$56.20 for a MAR of \$47.72. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, 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. This procedure does not have the highest PE for this date. The PE reduced rate is \$36.38.
 - For procedure code 97110, service date March 11, 2015, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.018 is 0.4581. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 1.009 is 0.44396. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.772 is 0.01544. The sum of 0.9175 is multiplied by the Division conversion factor of \$56.20 for a MAR of \$51.56. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, 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. This procedure has the highest PE for this date. The first unit is paid at \$51.56. The PE reduced rate is \$39.09 at 2 units is \$78.18. The total is \$129.74.
 - For procedure code 97110, service date March 19, 2015, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.018 is 0.4581. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 1.009 is 0.44396. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.772 is 0.01544. The sum of 0.9175 is multiplied by the Division conversion factor of \$56.20 for a MAR of \$51.56. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, 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. This procedure has the highest PE for this date. The first unit is paid at \$51.56. The PE reduced rate is \$39.09 at 2 units is \$78.18. The total is \$129.74.
3. The total allowable reimbursement for the services in dispute is \$461.98. This amount less the amount previously paid by the insurance carrier of \$0.00 leaves an amount due to the requestor of \$461.98. 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 \$461.98.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Sec. 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services in dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$461.98, plus applicable accrued interest per 28 Texas Administrative Code §134.130 , due within 30 days of receipt of this Order.

Authorized Signature

Signature

Grayson Richardson
Medical Fee Dispute Resolution Officer

April 1, 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.