



# 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 Orthopedic Hospital

**Respondent Name**

Ace American Insurance

**MFDR Tracking Number**

M4-16-1675-01

**Carrier's Austin Representative**

Box Number 15

**MFDR Date Received**

February 16, 2016

#### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "it is the position of the Hospital that all charges relating to the admission of this claimant are due and payable and not subject to the improper reductions taken by the Carrier in this case."

**Amount in Dispute:** \$5,889.91

#### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "We are upholding our original payment decision of this bill. The provider billed with codes that have a status of N which are considered bundled or non reimbursable per Medicare guidelines. The provider also didn't indicate that they wanted separate reimbursement for implants."

**Response Submitted by:** Bunch Care Solutions, P.O. Box 32045, Lakeland, FL 33802

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
May 1, 2015	Outpatient Hospital Services	\$5,889.91	\$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**

- 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:
  - 193 – Original payment decision is being maintained. This claim was processed properly the first time
  - 5261 – Letter – Please see additional message codes for information related to this review.

## Issues

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

## Findings

1. 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;

(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 claim finds no request for separate reimbursement of the implantable was requested. Therefore, the service in dispute will be reviewed as follows:

- Procedure code J1170 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code J1885 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code J2704 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code C1713 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code 24345 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 0050, which, per OPPS Addendum A, has a payment rate of \$2,602.13. This amount multiplied by 60% yields an unadjusted labor-related amount of \$1,561.28. This amount multiplied by the annual wage index for this facility of 0.9679 yields an adjusted labor-related amount of \$1,511.16. The non-labor related portion is 40% of the APC rate or \$1,040.85. The sum of the labor and non-labor related amounts is \$2,552.01. 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 \$2,552.01. This amount multiplied by 200% yields a MAR of \$5,104.01.
- Procedure code 26540 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

0053, which, per OPPS Addendum A, has a payment rate of \$1,228.33. This amount multiplied by 60% yields an unadjusted labor-related amount of \$737.00. This amount multiplied by the annual wage index for this facility of 0.9679 yields an adjusted labor-related amount of \$713.34. The non-labor related portion is 40% of the APC rate or \$491.33. The sum of the labor and non-labor related amounts is \$1,204.67. 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 \$602.34. This amount multiplied by 200% yields a MAR of \$1,204.68.

- Procedure code J2250 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code J2405 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code J3010 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.

2. The total allowable reimbursement for the services in dispute is \$6,308.69. This amount less the amount previously paid by the insurance carrier of \$6,308.69 leaves an amount due to the requestor of \$0.00. This amount is recommended.

### 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

\_\_\_\_\_  
March , 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.**