



**TEXAS DEPARTMENT OF INSURANCE**

**Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)**  
7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645  
(512) 804-4000 | F: (512) 804-4811 | (800) 252-7031 | TDI.texas.gov | @TexasTDI

**MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION**

**GENERAL INFORMATION**

**Requestor Name**

Texas Orthopedic Hospital

**Respondent Name**

Arch Insurance Co

**MFDR Tracking Number**

M4-16-1719-01

**Carrier's Austin Representative**

Box Number 19

**MFDR Date Received**

February 22, 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:** \$2,409.37

**RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary:** "Our initial response to the above referenced medical fee dispute resolution is as follows: we have escalated the bills in question for manual review to determine if additional monies are owed."

**Response Submitted by:** Gallagher Bassett, 6404 International Parkway, Suite 2300, Plano, TX 75093

**SUMMARY OF FINDINGS**

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 3, 2015	Outpatient Hospital Services	\$2,409.37	\$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 facility fee guideline.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated

- MV23
- Z652

### 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 services with claim adjustment reason code 97 – "The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated." 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.

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;

The maximum allowable reimbursement and applicable Medicare billing policies are found below:

- 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 C9352 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 64910 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 0221, which, per OPPS Addendum A, has a payment rate of \$2,947.54. This amount multiplied by 60% yields an unadjusted labor-related amount of \$1,768.52. This amount multiplied by the annual wage index for this facility of 0.9679 yields an adjusted labor-related amount of \$1,711.75. The non-labor related portion is 40% of the APC rate or \$1,179.02. The sum of the labor and non-labor related amounts is

\$2,890.77. The total Medicare facility specific reimbursement amount for this line is \$2,890.77. This amount multiplied by 200% yields a MAR of \$5,781.54.

- Procedure code 26546 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 0054, which, per OPPI Addendum A, has a payment rate of \$2,210.11. This amount multiplied by 60% yields an unadjusted labor-related amount of \$1,326.07. This amount multiplied by the annual wage index for this facility of 0.9679 yields an adjusted labor-related amount of \$1,283.50. The non-labor related portion is 40% of the APC rate or \$884.04. The sum of the labor and non-labor related amounts is \$2,167.54. 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 \$1,083.77. This amount multiplied by 200% yields a MAR of \$2,167.54.
- Per CCI Guidelines found at <https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/NCCI-Coding-Edits.html>, procedure code 26445 may not be reported with procedure code 26418 billed on the same claim. Payment for this service is included in the payment for the primary procedure without documentation to support a separate and distinct service was performed. As no documentation was found nor modifier used, separate payment is not recommended. The carrier's denial is supported.
- Per CCI Guidelines found at <https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/NCCI-Coding-Edits.html>, procedure code 26445 may not be reported with procedure code 26418 billed on the same claim. Payment for this service is included in the payment for the primary procedure without documentation to support a separate and distinct service was performed. As no documentation was found nor modifier used, separate payment is not recommended. The carrier's denial is supported.
- Procedure code 26418 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 OPPI 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 \$1,204.67.
- Procedure code J0690 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 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 \$9,153.75. This amount less the amount previously paid by the insurance carrier of \$9,153.75 leaves an amount due to the requestor of \$0.00. No additional reimbursement can be 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.**