



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

Center for Pain Relief

Respondent Name

Valley Forge Insurance Company

MFDR Tracking Number

M4-16-2124-01

Carrier's Austin Representative

Box Number 47

MFDR Date Received

March 25, 2016

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The noted Code Q9977 KD stating the wrong code was billed. We submitted support educating the carrier the code for billing compounded drugs changed effective July 1, 2015, and we billed the correct code."

Amount in Dispute: \$413.01

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The provider submitted an invalid code Q9977. Requestor asserts that code Q9977 is valid effective July 1, 2015.

The requestor is only partially correct in its assertions. Code Q9977 was only valid from 07/01/2015 to 09/30/2015. The provider is billing DOS 12/02/2015. Since an invalid code was billed the claim is not considered a clean claim and all line items are then denied."

Response Submitted by: The Law Office of Brian J. Judis

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Row 1: December 2, 2015, Refill of pain pump, \$413.01, \$194.04

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

- 1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.203 sets out the fee guidelines for professional medical services.
3. 28 Texas Administrative Code §134.1 provides for fair and reasonable reimbursement of health care in the absence of an applicable fee guideline.

4. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 16 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.
  - X160 – This charge denied because an invalid code was submitted on the bill or the bill has missing or invalid required information.
  - 181 – Procedure code was invalid on the date of service.
  - F053 – This procedure code or National Drug Code (NDC) is not valid for this date of service. Resubmit the bill with a valid procedure code or National Drug Code (NDC).
  - 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.

### **Issues**

1. Was Q9977-KD a valid procedure code on the date of service?
2. Are the insurance carrier's reasons for denial of payment for procedure codes 62369, A4220, and J2001 supported?
3. What is the maximum allowable reimbursement (MAR) for procedure code 62369?
4. What is the total reimbursement for procedure code A4220?
5. What is the total reimbursement for procedure code J2001?
6. What is the total reimbursement for procedure code Q9977-KD?
7. Is the requestor entitled to reimbursement for the disputed services?

### **Findings**

1. The insurance carrier denied disputed procedure Q9977-KD with claim adjustment reason codes 181 – "Procedure code was invalid on the date of service," and F053 – "This procedure code or National Drug Code (NDC) is not valid for this date of service. Resubmit the bill with a valid procedure code or National Drug Code (NDC)."

28 Texas Administrative Code §134.203(b) states,

For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following:

- (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules.

A review of Medicare payment policies finds that procedure code Q9977 became effective for "Compound Drug Not Otherwise Classified" on July 1, 2015 and was replaced by procedure code J7999 on January 1, 2016. The date of service for the service in question is December 2, 2015. Therefore the insurance carrier's denial reason for this service is not supported.

2. The insurance carrier denied disputed procedure codes 62369, A4220, and J2001 with claim adjustment reason codes 16 – "Claim/service lacks information or has submission/billing error(s) which is needed for adjudication," and X160 – "This charge denied because an invalid code was submitted on the bill or the bill has missing or invalid required information." The division finds that the insurance carrier's denial for the services in question is not supported.
3. 28 Texas Administrative Code §134.203(c) states:

To determine the MAR 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...
- (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 the conversion factor. The MAR is calculated by substituting the Division conversion factor. The Division conversion factor for 2015 is \$56.20.

For procedure code 62369 on date of service December 2, 2015: The relative value (RVU) for work of 0.67 multiplied by the geographic practice cost index (GPCI) for work of 1.018 is 0.682060. The practice expense (PE) RVU of 2.70 multiplied by the PE GPCI of 1.009 is 2.724300. The malpractice (MP) RVU of 0.06 multiplied by the MP GPCI of 0.772 is 0.046320. The sum of 3.452680 is multiplied by the Division conversion factor of \$56.20 for a MAR of \$194.04.

4. For procedure code A4220 on date of service December 2, 2015: This procedure has a status code of P, which indicates that "there are no RVUs and no payment amounts for these services. **No separate payment should be made for them under the fee schedule...**" Therefore, this code is not payable in accordance with 28 Texas Administrative Code §134.203(b).
5. 28 Texas Administrative Code §134.203(d) states:

The MAR for Healthcare Common Procedure Coding System (HCPCS) Level II codes A, E, J, K, and L shall be determined as follows:

- (1) 125 percent of the fee listed for the code in the Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) fee schedule;
- (2) if the code has no published Medicare rate, 125 percent of the published Texas Medicaid fee schedule, durable medical equipment (DME)/medical supplies, for HCPCS; or
- (3) if neither paragraph (1) nor (2) of this subsection apply, then as calculated according to subsection (f) of this section.

For procedure code J2001 on date of service December 2, 2015: The division finds that this code does not have a fee listed in the Medicare DMEPOS fee schedule or a Medicaid fee. 28 Texas Administrative Code §134.203(f) states:

For products and services for which no relative value unit or payment has been assigned by Medicare, Texas Medicaid as set forth in §134.203(d) or §134.204(f) of this title, or the Division, reimbursement shall be provided in accordance with §134.1 of this title...

28 Texas Administrative Code §134.1(e)(3) requires that in the absence of an applicable fee guideline or a negotiated contract, medical reimbursement for health care not provided through a workers' compensation health care network shall be made in accordance with a fair and reasonable reimbursement amount as specified in §134.1(f).

The division finds that the submitted documentation is insufficient to support a different payment amount from that determined by the insurance carrier. Additional reimbursement is not recommended for this procedure code.

6. For procedure code Q9977-KD on date of service December 2, 2015: Q series HCPCS codes (code range Q0000-Q9999) are temporary codes assigned by CMS for which the Division has not established a medical fee guideline. Accordingly, reimbursement for the disputed service(s) is subject to the general reimbursement provisions of 28 Texas Administrative Code §134.1, which requires that in the absence of an applicable fee guideline or a negotiated contract, medical reimbursement for health care not provided through a workers' compensation health care network shall be made in accordance with a fair and reasonable reimbursement amount as specified in §134.1(f).

The division finds that the submitted documentation is insufficient to support a different payment amount from that determined by the insurance carrier. Additional reimbursement is not recommended for this procedure code.

7. The total reimbursement amount for the disputed services is \$194.04. The insurance carrier paid \$0.00. A reimbursement of \$194.04 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 \$194.04.

***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 in dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$194.04 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

**Authorized Signature**

	Laurie Garnes	May 9, 2016
Signature	Medical Fee Dispute Resolution Officer	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.**