



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

Universal DME LLC

Respondent Name

New Hampshire Insurance Co

MFDR Tracking Number

M4-16-2674-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

May 5, 2016

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "...Gallagher Bassett is indeed the correct payer not DME Coventry. Please refer to supporting documentation that is attached for your review with your company's authorization #12189993."

Amount in Dispute: \$838.75

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: The Division placed a copy of the Medical Fee Dispute Resolution request in the insurance carrier's Austin representative box, which was acknowledged, received on May 13, 2016. The insurance carrier did not submit a response for consideration in this review. Per the Division's former rule at 28 Texas Administrative Code §133.307(d)(1), "If the Division does not receive the response information within 14 calendar days of the dispute notification, then the Division may base its decision on the available information." Accordingly, this decision is based on the available information.

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 4, 2016	E0188 –RR, A9901	\$838.75	\$25.84

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 reimbursement guidelines for professional medical services.
3. Texas Labor Code 408.0284 sets out network provisions for durable medical equipment.

4. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 1 – Service to be reviewed for payment by DME informal or voluntary network, Coventry DMEplus as defined in Texas Labor Code 408.0284.
 - 2 – Original payment decision is being maintained
 - W3 – Request for reconsideration

Issues

1. Is the insurance carrier's denial supported?
2. What is the applicable rule pertaining to reimbursement?
3. Is the requestor entitled to additional reimbursement?

Findings

1. The insurance carrier denied disputed services with claim adjustment reason code 1 – "Service to be reviewed for payment by DME informal or voluntary network." Texas Labor Code §408.0284(b) states

Notwithstanding any provision of Chapter 1305, Insurance Code, or Section 504.053 of this code, durable medical equipment and home health care services may be reimbursed in accordance with the fee guidelines adopted by the commissioner or at a voluntarily negotiated contract rate in accordance with this section.

The respondent did not submit a copy of the alleged contract. The respondent did not submit documentation to support requirements of Texas Labor Code 408.0284(c), which states in pertinent part,

The carrier has a contractual arrangement between (1) the carrier or authorized agent and the informal or voluntary network that authorized the network to contract with health care providers for durable medical equipment or home health care services on the carrier's behalf; and (2) the informal or voluntary network and the health care provider that includes a specific fee schedule and complies with the notice requirements of this section.

The insurance carrier's denial reason is not supported. The disputed services will therefore be reviewed per applicable Division rules and fee guidelines.

2. 28 Texas Administrative Code 134.203 (b) states in pertinent part,

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;

- 28 Texas Labor Code §134.203(d) states in pertinent parts,

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;

Review of the DMEPOS fee schedule finds no fee schedule amount. Review of the Texas Medicaid fee schedule finds the following;

- The Medicaid, Texas Fee Schedule amount found at <http://public.tmhp.com/FeeSchedules/OnlineFeeLookup/FeeScheduleSearch.aspx> for submitted codes is as follows:

- E0188 –RR - \$20.67. $\$20.67 \times 125\% = \25.84

- A9901 - The Medicare Claims processing manual, Chapter 20, has specific details in regards to delivery of DME items found at www.cms.hhs.gov, and states, "60 - Payment for Delivery and Service Charges for Durable Medical Equipment (Rev. 1, 10-01-03) B3 – 5105 Delivery and service are an integral part of oxygen and durable medical equipment (DME) suppliers' costs of doing business. Such costs are ordinarily assumed to have been taken into account by suppliers (along with all other overhead expenses) in setting the prices they charge for covered items and services. As such, these costs have already been accounted for in the calculation of the fee schedules. Also, most beneficiaries reside in the normal area of business activity of one or more DME supplier(s) and have reasonable access to them. Therefore, DME carriers may not allow separate delivery and service charges for oxygen or DME except as specifically indicated in §90 or in rare and unusual circumstances when the delivery is not typical of the particular supplier's operation.

Documentation to support a rare or unusual circumstance was not found within submitted documentation. No additional payment is recommended.

3. The maximum allowable for the services in dispute is \$25.84. 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 \$25.84.

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 \$25.84 plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this Order.

Authorized Signature

	Peggy Miller	June , 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.