



# 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**

California Insurance Co

**MFDR Tracking Number**

M4-16-2979-01

**Carrier's Austin Representative**

Box Number 6

**MFDR Date Received**

May 27, 2016

#### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "We should be paid for services rendered because we have submitted the appropriate paperwork needed for review."

**Amount in Dispute:** \$183.86

#### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "Respondent stands by the reasons for denial listed in the Explanations of Benefits attached to Requestor's request for medical fee dispute resolution. Therefore, Requestor is not entitled to additional reimbursement."

**Response Submitted by:** Stone Loughlin & Swanson, LLP

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
February 18, 2016	E0730 RR, A9901	\$183.86	\$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 §134.203 sets out the reimbursement guidelines for professional medical services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 222 – Charge exceeds Fee Schedule allowance
  - A167 – Shipping & Handling charges are not separately reimbursable

- P12 – Workers compensation jurisdictional fee schedule adjustment
- W3 – Additional payment made on appeal/reconsideration
- A216 – Incorrect billing, this charge is considered inclusive in the facility rate

### Issues

1. Are the insurance carrier’s reasons for denial or reduction of payment supported?
2. What is the rule applicable to reimbursement?
3. Is the requestor entitled to additional reimbursement?

### Findings

1. The carrier denied code A9901 as A167 – “Shipping & Handling charges are not separately reimbursable.”

The Medicare Claims processing manual, Chapter 20, has specific details in regards to delivery of DME items found at [www.cms.hhs.gov](http://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. The carrier’s denial is supported.

2. 28 Texas Administrative Code §134.203 (b) requires that “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;”

The applicable Medicare payment policy is found at, [www.cms.hhs.gov](http://www.cms.hhs.gov), Medicare Claims Processing Manual Chapter 20 - Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) 30.1.2 - Transcutaneous Electrical Nerve Stimulator (TENS),

*In order to permit an attending physician time to determine whether the purchase of a TENS is medically appropriate for a particular patient, contractors pay 10 percent of the purchase price of the item for each of 2 months.*

Review of the submitted “Delivery Ticket” shows a delivery date of February 18, 2016 and the “type” of “Rental”. Per the Medicare policy, this will be considered the first month of the trial period.

28 Texas Administrative Code 134.203 (d) states in pertinent part,

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;

Review of the 2016 – 1st Quarter Texas DMEPOS Fee Schedule,

[http://www.cgsmedicare.com/medicare\\_dynamic/fees/jc/results.asp](http://www.cgsmedicare.com/medicare_dynamic/fees/jc/results.asp) finds the following:

- E0730 is  $289.12 \div 10 = \$28.91$ . The maximum allowable reimbursement is calculated to be  $(\$28.91 \times 125\% = \$36.14)$ .

3. The total allowable reimbursement is \$36.14. The carrier previously paid \$41.14. No additional payment 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 additional reimbursement for the services in dispute.

**Authorized Signature**

Signature	Medical Fee Dispute Resolution Officer	June , 2016 Date
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***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.**