



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 Inc

Respondent Name

Service Lloyds Insurance Co

MFDR Tracking Number

M4-16-3487-01

Carrier's Austin Representative

Box Number 01

MFDR Date Received

July 19, 2016

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "We have given Corvel several opportunities to resolve this claim. We feel that these charges are due to us as you will see in our supporting documentation. We should be paid for services rendered because we have submitted the appropriate paperwork needed for review along with their authorization..."

Amount in Dispute: \$598.75

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Since the HCPCS Code(s) in question have no published fees in the Medicare DMEPOS or Texas Medicaid DMEPOS fee schedule and are listed under contractor discretion reimbursement for HCPCS Code E0118 was issued based on usual and customary fees for same or similar equipment. Final action included a request to supply a house invoice if seeking additional payment. HCPCS Code A9901 was denied as inclusive to HCPCS Code E0188 via claims adjustment reason code 234. CorVel has no evidence demonstrating the health care provider has provided an invoice to substantiate the need for additional payment."

Response Submitted by: CorVel healthcare Corporation

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Row 1: December 10, 2015, E0118, A9901, \$598.75, \$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

- 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. 28 Texas Administrative Code §134.1(f) which details medical reimbursement.
4. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 234 – This procedure is not paid separately
  - R38 – Included in another billed procedure
  - 304 – Submit Supply House Invoice for additional payment
  - P5 – Based on payor reasonable/customary payment

### Issues

1. What is the applicable fee rule?
2. Did the requestor provide documentation to support requested payment amount?
3. Is separate payment for delivery due?

### Findings

1. Review of the submitted medical claim finds the code in dispute is E0188 – “Crutch substitute, lower leg platform, with or without wheels” Durable medical equipment is subject to 28 Texas Administrative Code 134.203(d)(3) which 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.

Review of the applicable DMEPOS fee schedule finds no fee schedule amount for for E0188. Review of the Texas Medicaid fee schedule finds no fee schedule amount for E0188. The service in dispute will be reviewed pursuant to 28 Texas Administrative Code §134.203(f) which 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 (relating to Medical Reimbursement).

2. The division concluded above that §134.1 applies and states,  
Fair and reasonable reimbursement shall:
  - (1) be consistent with the criteria of Labor Code §413.011;
  - (2) ensure that similar procedures provided in similar circumstances receive similar reimbursement; and
  - (3) be based on nationally recognized published studies, published Division medical dispute decisions, and/or values assigned for services involving similar work and resource commitments, if available.
3. For that reason, 28 Texas Administrative Code §133.307(c)(2)(O) also applies and, requires the requestor to provide “documentation that discusses, demonstrates, and justifies that the payment amount being sought is a fair and reasonable rate of reimbursement in accordance with §134.1 of this title (relating to Medical Reimbursement) or §134.503 of this title (relating to Pharmacy Fee Guideline) when the dispute involves health care for which the division has not established a maximum allowable reimbursement (MAR) or reimbursement rate, as applicable.”

Review of the submitted documentation finds:

- The requestor does not discuss or demonstrate how reimbursement of \$748.75 for code E0118 is a fair and reasonable reimbursement.
- The requestor did not submit documentation to support that payment of the amount sought is a fair and reasonable rate of reimbursement for the services in this dispute.
- The requestor did not discuss or support that the proposed methodology would ensure that similar procedures provided in similar circumstances receive similar reimbursement.
- The requestor did not submit nationally recognized published studies or documentation of values assigned for services involving similar work and resource commitments to support the requested reimbursement.
- The requestor did not support that payment of the requested amount would satisfy the requirements of 28 Texas Administrative Code §134.1.

4. The remaining service in dispute is A9901. The carrier denied as 234 – “This procedure is not paid separately.” 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.

**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

\_\_\_\_\_  
August , 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.**