



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

AZALEA ORTHOPEDICS

MFDR Tracking Number

M4-18-2822-01

MFDR Date Received

April 3, 2018

Respondent Name

NEW HAMPSHIRE INSURANCE COMPANY

Carrier's Austin Representative

Box Number 19

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Charge for office visit (99204) on 7/28/17 initially denied as bundled to another service. Request for reconsideration was submitted with additional documentation (part of Dr. Beck's dictation was accidentally omitted from the initial submission). The carrier denied the charge a second time for no preauthorization. It is the provider's position that an office visit doesn't require preauthorization. Incidentally, the patient was last seen by Dr. Beck on 5/30/14. As it had been over three years, a new patient instead of established patient visit was billed. The carrier has denied the office visit charge twice, and the provider seeks relief."

Amount in Dispute: \$345.00

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The provider was reimbursed for CPT code 73590 but was not reimbursed for CPT code 99204 on the basis that the provider was unbundling services. The second EOB denied the services on the basis that the provider failed to seek preauthorization prior to providing the services. This is a 2011 claim. It is the carrier's position that the services were unbundled but additionally, that the services required preauthorization."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Date(s) of Service	Disputed Service(s)	Amount In Dispute	Amount Due
July 28, 2017	99204	\$345.00	\$255.73

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all-applicable, adopted 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 §134.600 sets out the guidelines for preauthorization, concurrent review, and voluntary certification of healthcare.
- 28 Texas Administrative Code §134.203 sets out the fee guidelines for the reimbursement of workers' compensation professional medical services provided on or after March 1, 2008.
- The services in dispute were reduced/denied by the respondent with the following reason codes:
 - 197 – Payment denied/reduced for absence of precertification/authorization
 - P12 – Workers' compensation jurisdiction fee schedule adjustment
 - OA – The amount adjusted is due to bundling or unbundling of services

Issues

1. Did the requestor bill for services in accordance with 28 Texas Administrative Code §134.203 (b)?
2. Does CPT Code 99204 (evaluation and management service) require preauthorization?
3. Is the requestor entitled to reimbursement?

Findings

1. The requestor billed CPT Code 99204 rendered on July 28, 2017. The insurance carrier denied the disputed service with denial reduction code, "OA – The amount adjusted is due to bundling or unbundling of services."

The insurance carrier in the position summary states in pertinent part, "It is the carrier's position that the services were unbundled but additionally, that the services required preauthorization."

The requestor states in pertinent part, "Charge for office visit (99204) on 7/28/17 initially denied as bundled to another service... The carrier denied the charge a second time for no preauthorization."

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; 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."

Review of the CMS-1500 documents that the requestor billed for CPT Codes 99204 and 73590 on July 28, 2017. The Division completed NCCI edits to identify potential edit conflicts that may affect reimbursement. The following was found: "Per Compliance Editor, this charge line did not trigger edits and is considered clean."

The Division finds that CPT Code 99204 and 73590 do not contain NCCI edits that would affect reimbursement. As a result, the insurance carrier's denial reason is not supported. The Division will now consider if the insurance carrier's additional denial reason "197 – Payment denied/reduced for absence of precertification/authorization" is supported.

2. The insurance carrier denied disputed CPT Code 99204 with denial reduction code "197 – Payment denied/reduced for absence of precertification/authorization."

28 Texas Administrative Code §134.600(p)(12) states in pertinent part "(p) Non-emergency health care requiring preauthorization includes: (12) treatments and services that exceed or are not addressed by the commissioner's adopted treatment guidelines or protocols and are not contained in a treatment plan preauthorized by the insurance carrier. This requirement does not apply to drugs prescribed for claims under §§134.506, 134.530 or 134.540 of this title (relating to Pharmaceutical Benefits)."

Review of the Division of Workers' Compensation Disability Management Questions and Answers document updated on 06/26/2014 states the following, "*When do office visits require preauthorization?* Office visits do not require preauthorization but are subject to retrospective utilization review of medical necessity. Although the ODG recommends office visits in the procedure summaries, there is not an established cap to limit medically necessary office visits."

The Division finds that the insurance carrier's denial reason of "197" is not supported as a result, the requestor is entitled to reimbursement for the disputed service.

3. 28 Texas Administrative Code §134.203 states in pertinent part, "(c) 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. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32. (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..."

Procedure code 99204 rendered on July 28, 2017, is a professional service paid per Rule §134.203(c). For this code, the relative value (RVU) for work of 2.43 multiplied by the geographic practice cost index (GPCI) for work of 1 is 2.43. The practice expense (PE) RVU of 1.98 multiplied by the PE GPCI of 0.929 is 1.83942. The malpractice RVU of 0.22 multiplied by the malpractice GPCI of 0.809 is 0.17798. The sum of 4.4474 is multiplied by the division conversion factor of \$57.50 for a MAR of \$255.73. As a result, the requestor is entitled to reimbursement in the amount of \$255.73.

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 \$255.73.

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 involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$255.73 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

		June 1, 2018
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, effective May 31, 2012, *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 MDR 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.