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
Texas Health Arlington

Respondent Name
Standard Fire Insurance Co

MFDR Tracking Number
M4-18-3053-01

Carrier's Austin Representative
Box Number 5

MFDR Date Received
April 23, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The purpose of this letter is to inform you that payment for services provided to the above referenced patient does not comply with Chapters 134.403 and 134.404 of Texas Administrative Code."

Amount in Dispute: $417.69

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Carrier has reviewed the documentation and determined the documentation substantiates that the disputed services are entitled to reimbursement."

Response Submitted by: Travelers

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
June 19, 2017 [UB shows June 20, 2017] June 20, 2017	96374 96375	$349.98 $67.71	$116.30

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 §134.403 sets out the reimbursement guidelines for outpatient hospital services.
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
   - 97 – Payment adjusted because the benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated

- P12 – Workers' compensation jurisdictional fee schedule adjustment

Issues

1. Are the insurance carrier's reasons for denial or reduction of payment supported?
2. What rule is applicable to reimbursement?

Findings

1. The requestor is seeking additional reimbursement for outpatient hospital services rendered on June 19 – 20, 2017 in the amount of $417.69. The insurance carrier made an additional payment of $302.96 with carrier code 4097 – "Paid per fee schedule; Charge adjusted because statute dictates allowance is greater than provider's charge."

   28 Texas Administrative Code §134.403 (e) (2) and (f) (1) (A) states in pertinent parts,

   (e) Regardless of billed amount, reimbursement shall be:

   (2) if no contracted fee schedule exists that complies with Labor Code §413.011, the maximum allowable reimbursement (MAR) amount under subsection (f) of this section, including any applicable outlier payment amounts and reimbursement for implantables.

   (f) The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register. The following minimal modifications shall be applied.

   (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:

   (A) 200 percent;

   The carrier's reduction is not supported. The services in dispute will be reviewed per applicable Medicare facility specific amounts.

2. 28 Texas Administrative Code §134.403 (b) states in pertinent part,

   For coding, billing, reporting, and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided

   Review of the applicable Medicare payment policy found at www.cms.gov, Claims Processing Manual, Chapter 4, Section 10.1.1 states,

   An OPPS payment status indicator is assigned to every HCPCS code. The status indicator identifies whether the service described by the HCPCS code is paid under the OPPS and if so, whether payment is made separately or packaged. The status indicator may also provide additional information about how the code is paid under the OPPS or under another payment system or fee schedule.

   The submitted medical bill contained the following codes which are assigned the indicated Status Indicators,

   - Procedure code 96374 has status indicator S, denoting significant outpatient procedures paid by APC, not subject to reduction. This code is assigned APC 5693. The OPPS Addendum A rate is $179.77. This is multiplied by 60% for an unadjusted labor-related amount of $107.86, which is multiplied by the facility wage index of 0.9618 for an adjusted labor amount of $103.74. The non-labor related portion is 40% of the APC rate, or $71.91. The Medicare facility specific amount of $175.65 is multiplied by 200% for a MAR of $351.30.

- Procedure code 96375 has status indicator S, denoting significant outpatient procedures paid by APC, not subject to reduction. This code is assigned APC 5691. The OPPS Addendum A rate is $34.78. This is multiplied by 60% for an unadjusted labor-related amount of $20.87, which is multiplied by the facility wage index of 0.9618 for an adjusted labor amount of $20.07. The non-labor related portion is 40% of the APC rate, or $13.91. The sum of the labor and non-labor portions is $33.98. The Medicare facility specific amount of $33.98 is multiplied by 200% for a MAR of $67.96.

The total recommended reimbursement for the disputed services is $419.26. The insurance carrier paid $302.96. The amount due is $116.30. 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 $116.30.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the division has determined the requestor is entitled to additional reimbursement for the disputed services. The division hereby ORDERS the respondent to remit to the requestor $116.30, plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this order.

Authorized Signature

	Peggy Miller	July 6, 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 Rule §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 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. **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.