



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 Fort Worth

Respondent Name

Travelers Indemnity Co

MFDR Tracking Number

M4-18-3107-01

Carrier's Austin Representative

Box Number 05

MFDR Date Received

April 26, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Phys Conversion Factor applied to Hospital Service. Physical therapy services have not been reimbursed per state fee schedule rules. PT services billed by a hospital on a UB are paid using the CMS calculation with the appropriate hospital uplift. Physician conversion factors are NOT APPLICABLE."

Amount in Dispute: \$87.20

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Carrier has reviewed the documentation and determined the Provider was properly reimbursed."

Response Submitted by: Travelers Indemnity Co

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
December 19, 2017	97110 GO		
December 21, 2017	97110 GO	\$87.20	\$0.00
December 28, 2017	97110 GO		

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 §134.403 sets out the reimbursement guidelines for outpatient services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 119 – Benefit maximum for this time period or occurrence has been reached

- P12 – Workers’ compensation jurisdictional fee schedule adjustment
- 163 – The charge for this procedure exceeds the unit value and/or the multiple procedure rules
- 170 – Reimbursement is based on the outpatient/inpatient fee schedule

Issues

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

Findings

1. The requestor is seeking additional reimbursement of \$87.20 for occupational therapy services rendered on December 19, 21, and 28, 2017. The insurance carrier denied disputed services with claim adjustment reason code 119 – “Benefit maximum for this time period or occurrence has been reached,” 163 – “The charge for this procedure exceeds the unit value and/or the multiple procedure rules,” and 173 – “Reimbursement is based on the outpatient/inpatient fee schedule.”

The requestor states in their position statement, “Phys Conversion Factor applied to Hospital Service. Physical therapy services have not been reimbursed per state fee schedule rules. PT services billed by a hospital on a UB are paid using the CMS calculation with the appropriate hospital uplift. Physician conversion factors are NOT APPLICABLE.”

While 28 Texas Administrative Code §134.403 (f) (1) (A) states,

- (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:
- (A) 200 percent

The rule also specifies,

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 reimbursement formula and factors are found in the Medicare Claims Processing Manual, Chapter 4, Section 10.1.1, and 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 Medicare Hospital Outpatient Prospective Payment Addendum A and B are posted quarterly to the OPPS website, <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html>. These addenda are a "snapshot" of HCPCS codes and their status indicators, APC groups, and OPPS payment rates in effect at the beginning of each quarter.

Review of the submitted medical bill finds the following.

- Procedure code 97110 has a status indicator A, Not paid under OPPS. Paid by the MACS under a fee schedule or payment system other than OPPS

The fee schedule that applies to the service in dispute is 28 Texas Administrative Code 134.203, Medical Fee Guideline for Professional Services. The requestor's position statement is not supported. The calculation of the maximum allowable reimbursement for the services in dispute is found below.

2. 28 Texas Administrative Code 134.203 (c) (1) states in pertinent part,

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 (date of service yearly conversion factor).

On April 1st of 2013, Medicare implemented the Medicare Multiple Procedure Payment Reduction (MPPR). The MPPR policy may be found in the CMS Claims Processing Manual 100-04. Chapter 5, section 10.7 found at www.cms.gov. The MPPR policy applies here and results in the following calculation:

- Procedure code 97110, date of service December 19, 2017. The calculation of the MAR is Division of Workers Compensation Conversion Factor/Medicare Conversion Factor x Medicare Allowable or $57.5/35.8887 \times 32.80$ for the first unit = \$52.48 the reduced rate for the remaining two units is $\$24.79 \times 57.5/35.8887 = \$39.48 \times 2 \text{ units} = \$79.68 + \$52.48 = \132.16
- Procedure code 97110, date of service December 21, 2017. The MAR is $\$32.80 \times 57.5/35.8887 = \52.48 for first unit. The second unit $\$24.79 \times 57.5/35.8887 = \$39.48 + 52.48 = \$91.96$
- Procedure code 97110, date of service December 28, 2017. The MAR is $57.5/35.8887 \times 32.80$ for the first unit = \$52.48 the reduced rate for the remaining two units is $\$24.79 \times 57.5/35.8887 = \$39.48 \times 2 \text{ units} = \$79.68 + \$52.48 = \132.16

3. The total recommended reimbursement for the disputed services is \$356.28. The carrier paid \$356.25. 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 on the submitted information, pursuant to Texas Labor Code Section 413.031, the division hereby determines the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

May 22, 2018
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.