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
Texas Health Rockwall

Respondent Name
Insurance Co of the State of PA

MFDR Tracking Number
M4-18-4169-01

Carrier's Austin Representative
Box Number 19

MFDR Date Received
July 2, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The bill has been underpaid according to our fee schedule calculations. The reconsideration was processed upholding the original decision."

Amount in Dispute: $7,796.46

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Upon receipt of MDR, the bill was sent for reconsideration. We are standing on our denial."

Response Submitted by: ESIS

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
February 5 -12, 2018	Outpatient Hospital Services	$7,796.46	$3,716.29

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 acute care hospital fee guideline for outpatient services.
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
   - 773 – Reimbursement is in accordance with the TDI workers compensation state fee schedule adjustment and guidelines
   - 881 – This item is an integral part of an emergency room visit or surgical procedure and is therefore included in the reimbursement for the facility/APC rate

- ANSI – 97 – 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
- 785 – Items and/or services are packaged into APC rate. Therefore there is no separate APC payment

Issues

1. Are the insurance carrier's reasons for denial or reduction of payment supported?
2. What is the applicable rule for determining reimbursement for the disputed services?
3. What is the recommended payment for the services in dispute?

Findings

1. The requestor is seeking $7,796.46 for services rendered in an outpatient hospital setting from February 5, 2018 through February 12, 2018.

   The insurance carrier denied disputed services with claim adjustment reason code 773 – "Reimbursement is in accordance with the TDI Workers Compensation State Fee Schedule and Guidelines" and 785 – "Items and/or services are packaged into APC rate. Therefore there is no separate APC payment."

   28 Texas Administrative Code §134.403 (d) requires that "

   > 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 and Division fee guidelines for the services listed on the DWC060 is found below.

2. 28 Texas Administrative Code §134.403, (f)(1) requires that the sum of the Medicare facility specific amount and any applicable outlier payment be multiplied by 200 percent, unless a facility or surgical implant provider requests separate payment of implantables. Review of the submitted medical bill found separate reimbursement for implantables was not requested.

   The Medicare Claims Processing Manual at www.cms.gov Chapter 10.1.1 and 10.2, states in pertinent parts,

   > *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.*
   >
   > *Each HCPCS code for which separate payment is made under the OPPS is assigned to an ambulatory payment classification (APC) group. The payment rate and coinsurance amount calculated for an APC apply to all of the services assigned to the APC.*

   Reimbursement for the disputed services is calculated as follows:

   - Procedure code C1713, billed February 12, 2018 has status indicator N, denoting packaged codes integral to the total service package with no separate payment; reimbursement is included with payment for the primary services.
   - Procedure code 71046, billed February 5, 2018, has status indicator Q3. This code is packaged into the comprehensive J1 payment.
   - Procedure code 29827, billed February 12, 2018 has a J1 status indicator however, the Medicare payment policy found in states, Medicare Claims Processing Manual Chapter 10.2.3, *Claims reporting at least one J1 procedure code will package the following items and services that are not typically packaged under the OPPS: major OPPS procedure codes (status indicators P, S, T, V), lower ranked comprehensive procedure codes (status indicator J1)*

Per Addenda J at www.cms.gov, this code has a ranking of 343. The other J1 code is 29828 with a ranking of 465. Therefore per the above this lower ranked code is packaged into code 29828. Separate payment is not recommended.

- Procedure code 29828, billed February 12, 2018 has a ranking of 465. As seen above this J1 code will receive the applicable reimbursement. This code is assigned APC 5114. The OPPS Addendum A rate is $5,606.42, multiplied by 60% for an unadjusted labor amount of $3,363.85, in turn multiplied by the facility wage index of 0.9756 for an adjusted labor amount of $3,281.77. The non-labor portion is 40% of the APC rate, or $2,242.57. The sum of the labor and non-labor portions is $5,524.34. The Medicare facility specific amount of $5,524.34 is multiplied by 200% for a MAR of $11,048.68.
- Procedure code 93005, billed February 5, 2018, has status indicator Q1 this code is packaged into the comprehensive J1 payment.

3. The total recommended reimbursement for the disputed services is $11,048.68. The insurance carrier paid $7,332.39. The amount due is $3,716.29. 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 $3,716.29.

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 $3,716.29, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

Signature	Medical Fee Dispute Resolution Officer	August 2, 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.