



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

TX Health Fort Worth

Respondent Name

Zurich American Insurance Co

MFDR Tracking Number

M4-18-5282-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

August 28, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "991 - Underpaid/denied APC

CPT 70486 - S1 Q3 Composite APC 8005 - CT/CTA without Contrast ... PLEASE RECONSIDER ADDITIONAL PAYMENT. THANK YOU."

Amount in Dispute: \$2,093.36

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "As noted on the provider's UB-04 which is a part of the DWC-60 packet, the provider billed for a number of services which the provider is not seeking additional reimbursement. The provider was reimbursed \$2,278.97. As noted on the DWC-60, the provider was reimbursed \$145.26 under CPT Code 70486. The provider is seeking additional reimbursement of \$388.59. However, the provider was reimbursed in accordance with the Medical Fee Guidelines. With respect to CPT code G0390, the provider indicated that the billed amount was \$4450.50. The carrier did not make any reimbursement."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Dispute Amount, Amount Due. Row 1: December 14, 2017, Codes 70486 and G0390, \$2,093.36, \$1,917.75

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:
- 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

Issues

1. What is the recommended payment amount for the services in dispute?
2. Is the requestor entitled to additional reimbursement?

Findings

1. This dispute regards outpatient hospital facility services with payment subject to 28 Texas Administrative Code §134.403, requiring the maximum allowable reimbursement (MAR) to be the Medicare facility specific amount (including outlier payments) applying Medicare Outpatient Prospective Payment System (OPPS) formulas and factors, as published annually in the Federal Register, with modifications set forth in the rules. Medicare OPPS formulas and factors are available from the Centers for Medicare and Medicaid Services at <http://www.cms.gov>.

Rule §134.403(f)(1) requires the sum of the Medicare facility specific amount and any outlier payments be multiplied by 200 percent for Codes 70486 and G0390 in dispute, unless a facility or surgical implant provider requests separate payment of implantables. Separate reimbursement for implants was not requested.

Medicare assigns an Ambulatory Payment Classification (APC) to OPPS services based on billed procedure codes and supporting documentation. The APC determines the payment rate. Reimbursement for ancillary items and services is packaged with the APC payment. CMS publishes quarterly APC rate updates, available at www.cms.gov.

Reimbursement for the disputed services is calculated as follows:

- Procedure code 13132 has status indicator T, for procedures subject to multiple-procedure reduction. The highest paying status T unit is paid at 100%; all others at 50%. This code is paid at 100%. This code is assigned APC 5053. The OPPS Addendum A rate is \$453.10, multiplied by 60% for an unadjusted labor amount of \$271.86, in turn multiplied by the facility wage index of 0.9636 for an adjusted labor amount of \$261.96. The non-labor portion is 40% of the APC rate, or \$181.24. The sum of the labor and non-labor portions is \$443.20. The cost of services does not exceed the threshold for outlier payment. The outlier payment is \$0. The Medicare facility specific amount of \$443.20 is multiplied by 200% for a MAR of \$886.40.
- Procedure code 96374 has status indicator S, for procedures not subject to reduction. This code is assigned APC 5693. The OPPS Addendum A rate is \$179.77, multiplied by 60% for an unadjusted labor amount of \$107.86, in turn multiplied by the facility wage index of 0.9636 for an adjusted labor amount of \$103.93. The non-labor portion is 40% of the APC rate, or \$71.91. The sum of the labor and non-labor portions is \$175.84. The cost of services does not exceed the threshold for outlier payment. The outlier payment is \$0. The Medicare facility specific amount of \$175.84 is multiplied by 200% for a MAR of \$351.68.
- Procedure code 96375 has status indicator S, for procedures not subject to reduction. This code is assigned APC 5691. The OPPS Addendum A rate is \$34.78, multiplied by 60% for an unadjusted labor amount of \$20.87, in turn multiplied by the facility wage index of 0.9636 for an adjusted labor amount of \$20.11. The non-labor portion is 40% of the APC rate, or \$13.91. The sum of the labor and non-labor portions is \$34.02. The cost of services does not exceed the threshold for outlier payment. The outlier payment is \$0. The Medicare facility specific amount of \$34.02 is multiplied by 200% for a MAR of \$68.04.
- Procedure code 99284 has status indicator J2, for outpatient visits (subject to comprehensive packaging if 8 or more hours observation billed). This code is assigned APC 5024. The OPPS Addendum A rate is \$332.41, multiplied by 60% for an unadjusted labor amount of \$199.45, in turn multiplied by the facility wage index of 0.9636 for an adjusted labor amount of \$192.19. The non-labor portion is 40% of the APC rate, or \$132.96. The sum of the labor and non-labor portions is \$325.15. The cost of services does not exceed the threshold for outlier payment. The outlier payment is \$0. The Medicare facility specific amount of \$325.15 is multiplied by 200% for a MAR of \$650.30.

- Procedure code J2270 has status indicator N, for packaged codes integral to the total service package with no separate payment; reimbursement is included with payment for the primary services.
- Procedure code J2405 has status indicator N, for packaged codes integral to the total service package with no separate payment; reimbursement is included with payment for the primary services.
- Procedure code G0390 has status indicator S, for procedures not subject to reduction. This code is assigned APC 5045. The OPPS Addendum A rate is \$872.07, multiplied by 60% for an unadjusted labor amount of \$523.24, in turn multiplied by the facility wage index of 0.9636 for an adjusted labor amount of \$504.19. The non-labor portion is 40% of the APC rate, or \$348.83. The sum of the labor and non-labor portions is \$853.02. The cost of services does not exceed the threshold for outlier payment. The outlier payment is \$0. The Medicare facility specific amount of \$853.02 is multiplied by 200% for a MAR of \$1,706.04.
- Procedure codes 72125, 70450, and 70486 have status indicator Q3, for packaged codes paid through a composite APC. Codes assigned to composites are major components of a single episode of care; the hospital receives one payment for any combination of designated procedures. These services are assigned composite APC 8005, for computed tomography (CT) services without contrast. If a composite includes multiple lines, the charges for those combined services are summed to one line. To determine outliers, a single cost for the composite is estimated from the summarized charges. Total packaged cost is allocated to the composite line in proportion to other separately paid services on the bill. This line is assigned status indicator S, for procedures not subject to reduction. This code is assigned APC 8005. The OPPS Addendum A rate is \$273.09, multiplied by 60% for an unadjusted labor amount of \$163.85, in turn multiplied by the facility wage index of 0.9636 for an adjusted labor amount of \$157.89. The non-labor portion is 40% of the APC rate, or \$109.24. The sum of the labor and non-labor portions is \$267.13. The cost of services does not exceed the threshold for outlier payment. The outlier payment is \$0. The Medicare facility specific amount of \$267.13 is multiplied by 200% for a MAR of \$534.26.

2. The total recommended reimbursement for the disputed services is \$4,196.72. The insurance carrier paid \$2,278.97. The amount due is \$1,917.75. 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 \$1,917.75.

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 \$1,917.75, 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	11/16/2018 Date
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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.

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 form's instructions. 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 on the form, or to the field office handling the claim.

A party seeking review of this decision must deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed. The request must include a copy of this *Medical Fee Dispute 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.