



# 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

TRUMBULL INSURANCE COMPANY

MFDR Tracking Number

M4-19-0997-01

Carrier's Austin Representative

Box Number 47

MFDR Date Received

October 22, 2018

#### REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The following codes have been inappropriately denied: 96374 and 96375 . . . since all of these codes have the appropriate modifiers justifiably appended to show that they were not part of the fracture treatment, they cannot be bundled."

Amount in Dispute: \$518.32

#### RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Services were processed in accordance with Texas Guidelines, Rule 134.403."

Response Submitted by: The Hartford

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Dispute Amount	Amount Due
June 2, 2018	Outpatient Hospital Services: 96374, 96375	\$518.32	\$518.32

#### 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 hospital facility fee guideline for outpatient services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - W3 – ADDITIONAL PAYMENT MADE ON APPEAL/RECONSIDERATION.
  - 193 – ORIGINAL PAYMENT DECISION IS BEING MAINTAINED. UPON REVIEW, IT WAS DETERMINED THAT THIS CLAIM WAS PROCESSED PROPERLY.
  - 1115 - WE FIND THE ORIGINAL REVIEW TO BE ACCURATE AND ARE UNABLE TO RECOMMEND ANY ADDITIONAL ALLOWANCE
  - 4097 - PAID PER FEE SCHEDULE; CHARGE ADJUSTED BECAUSE STATUTE DICTATES ALLOWANCE IS GREATER THAN
  - Q97 – 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.
  - 802 – CHARGE FOR THIS PROCEDURE EXCEEDS THE OPPS SCHEDULE ALLOWANCE
  - 863 – REIMBURSEMENT IS BASED ON THE APPLICABLE REIMBURSEMENT FEE SCHEDULE.
  - QS301 – THIS SERVICE IS INCLUDED IN PRIMARY OR MORE EXTENSIVE PROCEDURE.

## Issue

Is the requestor entitled to additional reimbursement?

## Findings

This dispute regards outpatient facility services subject to DWC's *Hospital Facility Fee Guideline*, Rule §134.403, requiring the maximum allowable reimbursement (MAR) to be the Medicare facility specific amount applying Medicare Outpatient Prospective Payment System (OPPS) formulas and factors published in the Federal Register, as modified by DWC rules. Rule §134.403(f)(1) requires the Medicare facility specific amount and any outlier payment be multiplied by 200% for the disputed facility services.

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](http://www.cms.gov).

Reimbursement for the disputed services is calculated as follows:

- Per Medicare policy regarding Correct Coding Initiative (CCI) edits, procedure code 96374 may not be reported with code 26755 billed on the same claim; however, a modifier may be used to differentiate the services if supported by documentation. Separate payment is allowed if a modifier is used appropriately. The requestor billed the disputed service with an appropriate modifier. Separate payment is allowed. 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 \$191.09, multiplied by 60% for an unadjusted labor amount of \$114.65, in turn multiplied by the facility wage index of 0.9636 for an adjusted labor amount of \$110.48. The non-labor portion is 40% of the APC rate, or \$76.44. The sum of the labor and non-labor portions is the Medicare facility specific amount of \$186.92. This is multiplied by 200% for a MAR of \$373.84.
- Per Medicare policy regarding Correct Coding Initiative (CCI) edits, procedure code 96375 may not be reported with code 26755 billed on the same claim; however, a modifier may be used to differentiate the services if supported by documentation. Separate payment is allowed if a modifier is used appropriately. The requestor billed the disputed service with an appropriate modifier. Separate payment is allowed. 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 \$37.03, multiplied by 60% for an unadjusted labor amount of \$22.22, in turn multiplied by the facility wage index of 0.9636 for an adjusted labor amount of \$21.41. The non-labor portion is 40% of the APC rate, or \$14.81. The sum of the labor and non-labor portions is \$36.22 multiplied by 2 units is the Medicare facility specific amount of \$72.44. This is multiplied by 200% for a MAR of \$144.88.
- The division notes that evaluation code 99283 billed the same day (but not in dispute) has status indicator J2, for outpatient visits subject to comprehensive packaging if 8 or more hours of observation are billed. However, as no hours of observation were billed, this bill does not meet Medicare criteria for comprehensive packaging. For this reason, codes 96374 and 96375 are not subject to comprehensive packaging.

The total recommended reimbursement for the disputed services is \$518.72. The insurance carrier paid \$0.00. The requestor is seeking additional reimbursement of \$518.32. This amount is recommended.

## Conclusion

In resolving disputes regarding the amount of payment due for health care determined to be medically necessary and appropriate for treatment of a compensable injury, the role of the division is to adjudicate the payment, given the relevant statutory provisions and division rules.

The division emphasizes that the findings in this decision are based on the evidence presented by the requestor and respondent available at the time of review. Even though not all the evidence was discussed, it was considered.

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 \$518.32.

**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 \$518.32, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

\_\_\_\_\_  
Signature

Grayson Richardson  
Medical Fee Dispute Resolution Officer

November 16, 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. A party seeking review must submit a *Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision* (form DWCO45M) in accordance with the form’s instructions. The division must receive the request within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered either to the division, using the contact information listed on the form, or to the field office handling the claim. The party seeking review must deliver a copy of the request to all parties involved in the dispute at the same time the request is filed. Include a copy of this *Medical Fee Dispute Resolution Findings and Decision* together with any other information required by 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.