



**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 Alliance

**Respondent Name**

LM Insurance Corp

**MFDR Tracking Number**

M4-19-2744-01

**Carrier's Austin Representative**

Box Number 1

**MFDR Date Received**

January 17, 2019

**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:** \$291.77

**RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary:** "The bill has been reviewed and payment is correct..."

**Response Submitted by:** Liberty Mutual Insurance

**SUMMARY OF FINDINGS**

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
June 26, 2018	Outpatient Hospital Services	\$291.77	\$6.56

**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 hospital services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 4960 – Charge for this procedure exceeds the OPFS Q3 composite adjustment fee schedule allowance

## Issues

1. What is the applicable rule for determining reimbursement for the disputed services?
2. Is the requestor entitled to additional reimbursement?

## Findings

1. The requestor is seeking additional reimbursement in the amount of \$291.77 for outpatient hospital services rendered on June 26, 2018. The insurance carrier reduced disputed services with claim adjustment reason code 4960 – “Charge for this procedure exceeds the OPPS Q3 composite adjustment fee schedule allowance.”

28 Texas Administrative Code §134.403 (d) 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

The Medicare payment policy applicable to the services in dispute is found at [www.cms.gov](http://www.cms.gov), Claims processing Manual, Chapter 4, Section, 10.1.1 which 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 applicable DWC fee guideline is 28 TAC §134.403, (f) which states,

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; unless
  - (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent.

Review of the medical bill finds implants are not applicable. The application of the Medicare payment policy in conjunction with the DWC fee guideline is calculated as follows:

- Procedure code 72125 has status indicator Q3, for packaged codes paid through a composite APC (if OPPS criteria are met). This code is assigned to composite APC 8005. This service qualifies for composite payment. Codes assigned to composites are major components of a single episode of care; the hospital receives one payment for any combination of designated procedures. If a composite includes multiple lines, the charges for those combined services are summed to one line. The payment for composite services is calculated below.
- Procedure code Procedure code 70450 has status indicator Q3, for packaged codes paid through a composite APC (if OPPS criteria are met). This code is assigned to composite APC 8005. This service qualifies for composite payment. Codes assigned to composites are major components of a single episode of care; the hospital receives one payment for any combination of designated procedures. If a composite includes multiple lines, the charges for those combined services are summed to one line. The payment for composite services is calculated below.
- Procedure codes 72125, and 70450 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. This line is assigned status indicator S, for procedures not subject to reduction. This code is assigned APC 8005. The OPSS Addendum A rate is \$274.84, multiplied by 60% for an unadjusted labor amount of \$164.90, in turn multiplied by the facility wage index of 0.9636 for an adjusted labor amount of \$158.90. The non-labor portion is 40% of the APC rate, or \$109.94. The sum of the labor and non-labor portions is \$268.84. The Medicare facility specific amount of \$268.84 is multiplied by 200% for a MAR of \$537.68.

The total recommended reimbursement for the disputed services is \$537.68. The insurance carrier paid \$245.50 and \$285.62 for a combined total of \$531.12 for the CT composite. The remaining balance of \$6.56 is due to the requestor.

### **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 \$6.56.

### **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 \$6.56, 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

\_\_\_\_\_  
February 8, 2019

\_\_\_\_\_  
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.**