



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 Cleburne

Respondent Name

Texas Mutual Insurance

MFDR Tracking Number

M4-19-2746-01

Carrier's Austin Representative

Box Number 54

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 Division 134.4043 and 134.404 of Texas Administrative Code."

Amount in Dispute: \$313.35

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The composite APC applies to all codes in the same imaging family billed the same date, in this case codes 72125 and 70450. Texas Mutual paid \$223.92 for code 72125 and \$223.92 for code 70450, for a total of \$447.84. Therefore, the additional amount due is not \$313.35 but the difference between \$537.27 and \$447.84, which is \$89.43. Texas Mutual waits for DSC's adjudication on this matter."

Response Submitted by: Texas Mutual Insurance

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
August 27, 2018	Outpatient Hospital Services	\$313.35	\$89.84

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:
 - P12 – Workers' compensation jurisdictional fee schedule adjustment
 - 370 – This hospital outpatient allowance was calculated according to the APC rate, plus a markup

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 \$313.35 for outpatient hospital services rendered on August 27, 2018. The insurance carrier reduced disputed services with claim adjustment reason code P12 – “Workers’ compensation jurisdictional fee schedule adjustment.”

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, Claims processing Manual, Chapter 4, Section 10.1.1 - Payment Status Indicators

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.

28 TAC §134.403, (f) 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 submitted medical bill finds implants are not applicable. The maximum allowable reimbursement per the above is calculated as follows:

- Procedure code 72125 has status indicator Q3, for packaged codes paid through a composite APC (if OPSS 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. The payment for composite services is calculated below.
- Procedure code 70450 has status indicator Q3, for packaged codes paid through a composite APC (if OPSS 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. 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. 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.

2. The total recommended reimbursement for the disputed services is \$537.68. The insurance carrier paid \$447.84. The amount due is \$89.84. 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 \$89.84.

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 \$89.84, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

_____	_____	February 12, 2019
Signature	Medical Fee Dispute Resolution Officer	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.