



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 Alliance

Respondent Name

Hartford Casualty Insurance Co

MFDR Tracking Number

M4-19-3516-01

Carrier's Austin Representative

Box Number 47

MFDR Date Received

March 21, 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: \$740.67

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The date of service in dispute was processed in accordance with Texas Workers' Compensation Guidelines, Rules 134.403."

Response Submitted by: The Hartford

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
December 20, 2018	Outpatient Hospital Services	\$740.67	\$443.95

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

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 \$740.67 for outpatient hospital services rendered on December 20, 2018. The insurance carrier reduced disputed services based on the workers' compensation jurisdictional fee schedule.

28 TAC §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 did not contain implants. The maximum allowable reimbursement per the above is calculated as follows:

- Procedure code L1830 has status indicator A, for services paid by fee schedule or payment system other than OPPS. If Medicare pays using other systems, Rule §134.403(h) requires use of the DWC fee guideline applicable to the code on the date provided. Per DWC Professional Fee Guideline, Rule §134.203(d)(1), the facility fee is based on Medicare's Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) fee for this code of \$79.39. 125% of this amount is \$99.24. Reimbursement is the lesser of the MAR or the provider's usual and customary charge of \$96.77. The lesser amount is \$96.77.
- Procedure code 36415 has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code 80053 has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code 82565 has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code 85025 has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.

- Procedure code 71045 has status indicator Q3 but as packaging criteria is not met, this line is assigned status indicator S and assigned APC 5521. The OPPS Addendum A rate is \$62.12, multiplied by 60% for an unadjusted labor amount of \$37.27, in turn multiplied by the facility wage index of 0.9736 for an adjusted labor amount of \$36.29. The non-labor portion is 40% of the APC rate, or \$24.85. The sum of the labor and non-labor portions is \$61.14. The Medicare facility specific amount of \$61.14 is multiplied by 200% for a MAR of \$122.28.
 - Procedure code 73560 has status indicator Q1, for STV-packaged codes; reimbursement is packaged with payment for any service assigned status indicator S, T or V.
 - 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 0.9736 for an adjusted labor amount of \$111.62. The non-labor portion is 40% of the APC rate, or \$76.44. The sum of the labor and non-labor portions is \$188.06. The Medicare facility specific amount of \$188.06 is multiplied by 200% for a MAR of \$376.12.
 - 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 0.9736 for an adjusted labor amount of \$21.63. The non-labor portion is 40% of the APC rate, or \$14.81. The sum of the labor and non-labor portions is \$36.44. The Medicare facility specific amount of \$36.44 is multiplied by 200% for a MAR of \$72.88.
 - Procedure code 99285 has status indicator J2 subject to comprehensive packaging when 8 or more hours observation billed but, this does not apply to this bill. This code has a status indicator of V and is assigned APC 5025. The OPPS Addendum A rate is \$520.85, multiplied by 60% for an unadjusted labor amount of \$312.51, in turn multiplied by the facility wage index of 0.9736 for an adjusted labor amount of \$304.26. The non-labor portion is 40% of the APC rate, or \$208.34. The sum of the labor and non-labor portions is \$512.60. The Medicare facility specific amount of \$512.60 is multiplied by 200% for a MAR of \$1,025.20.
 - Procedure code J2405 has status indicator N, for packaged codes no separate payment.
 - Procedure code J3010 has status indicator N, for packaged codes no separate payment.
 - Procedure code Q9967 has status indicator N, for packaged codes no separate payment.
 - Procedure codes 72131 and 74177 have status indicator Q3, packaged codes paid through a composite APC of 8006. The OPPS Addendum A rate is \$500.85, multiplied by 60% for an unadjusted labor amount of \$300.51, in turn multiplied by the facility wage index of 0.9736 for an adjusted labor amount of \$292.58. The non-labor portion is 40% of the APC rate, or \$200.34. The sum of the labor and non-labor portions is \$492.92. The Medicare facility specific amount of \$492.92 is multiplied by 200% for a MAR of \$985.84.
2. The total recommended reimbursement for the disputed services is \$2,679.09. The insurance carrier paid \$2,235.14. The amount due is \$443.95. 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 \$443.95.

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 \$443.95, 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

April 24, 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.