



# 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 HEB

**Respondent Name**

SERVICE LLOYDS INSURANCE COMPANY

**MFDR Tracking Number**

M4-19-3857-01

**Carrier's Austin Representative**

Box Number 01

**MFDR Date Received**

April 22, 2019

**Response Submitted By**

AViDEL

#### REQUESTOR'S POSITION SUMMARY

"Underpaid/denied APC."

#### RESPONDENT'S POSITION SUMMARY

"The Hospital outpatient allowance was calculated according to the APC rate, plus a markup and other applicable packaged items or Q APC indicators denied accordingly."

#### SUMMARY OF DISPUTE

Dates of Service	Disputed Services	Dispute Amount	Amount Due
November 14, 2018	Outpatient Hospital Services	\$701.56	\$13.02

#### AUTHORITY

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and 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:
  - 370 – THE HOSPITAL OUTPATIENT ALLOWANCE WAS CALCULATED ACCORDING TO THE APC RATE, PLUS A MARKUP.
  - 616 – THIS CODE HAS STATUS Q APC INDICATOR AND IS PACKAGED INTO OTHER APC CODES THAT HAVE BEEN IDENTIFIED BY CMS.
  - 618 – THE VALUE OF THIS PROCEDURE IS PACKAGED INTO THE PAYMENT OF OTHER SERVICES PERFORMED ON THE SAME DATE OF SERVICE.
  - 630 – THIS SERVICE IS PACKAGED WITH OTHER SERVICES PERFORMED ON THE SAME DATE AND REIMBURSEMENT IS BASED ON A SINGLE COMPOSITE APC RATE.
  - 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.
  - 350 – BILL HAS BEEN IDENTIFIED AS A REQUEST FOR RECONSIDERATION OR APPEAL.
  - W3 – IN ACCORDANCE WITH TDI-DWC RULE 134.804, THIS BILL HAS BEEN IDENTIFIED AS A REQUEST FOR RECONSIDERATION OR APPEAL.

## Issues

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:

- Procedure code 36415, 80053, 85025 and 85610 has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure codes 86850, 86900 and 86901 have status indicator Q1, for STV-packaged codes; reimbursement is packaged with payment for any service assigned status indicator S, T or V.
- Procedure codes 72125, 74177, and 71260 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 8006, for computed tomography (CT) services including contrast. 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 the Medicare facility specific amount of \$492.92. This is multiplied by 200% for a MAR of \$985.84.
- Procedure code 76376, 96376, J2270, J2405 and Q9967 have 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 96374-59 has status indicator S (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 the Medicare facility specific amount of \$188.06 is multiplied by 200% for a MAR of \$376.12.
- Procedure code 96375-59 has status indicator S (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 the Medicare facility specific amount of \$36.44 is multiplied by 200% for a MAR of \$72.88.
- Procedure code 99284 represents an outpatient visit. This code is assigned APC 5024 with OPPS Addendum A rate of \$355.53, multiplied by 60% for an unadjusted labor amount of \$213.32, in turn multiplied by the facility wage index of 0.9736 for an adjusted labor amount of \$207.69. The non-labor portion is 40% of the APC rate, or \$142.21. The sum of the labor and non-labor portions is the Medicare facility specific amount of \$349.90. This is multiplied by 200% for a MAR of \$699.80.

The total recommended reimbursement for the disputed services is \$2,134.64. The carrier paid \$2,121.62. The amount due is \$13.02. 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 \$13.02.

**ORDER**

In accordance with Texas Labor Code Section 413.031 and 413.019 (if applicable), based on the submitted information, the division finds the requestor is entitled to additional reimbursement. The division hereby ORDERS the respondent to remit to the requestor \$13.02, plus accrued interest per Rule §134.130, due within 30 days of receipt of this order.

Authorized Signature

\_\_\_\_\_  
Signature

Grayson Richardson  
Medical Fee Dispute Resolution Officer

May 7, 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. The appealing party must submit a *Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision* (form DWC045M). 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 field office handling the claim or to the division at the contact information listed on the form. You must deliver a copy of the request to all other parties involved in the dispute at the same time you file the request. Include a **copy** of this **Medical Fee Dispute 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.