



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

East Texas Medical Center

Respondent Name

Worth Casualty Co

MFDR Tracking Number

M4-19-3928-01

Carrier's Austin Representative

Box Number 1

MFDR Date Received

April 26, 2019

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: No position submitted.

Amount in Dispute: \$1,865.51

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "CorVel will maintain the requestor, East Texas Medical Center is not entitled to additional reimbursement for date of service 08/30/18 in the amount of \$1,865.51 based on DWC adopted medical outpatient hospital fee guidelines, Medicare payment policies and correct coding initiative (CCI) edits in effect at the time services were provided."

Response Submitted by: CorVel Healthcare Corporation

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Row 1: August 30, 2018, Outpatient Hospital Services, \$1,865.51, \$1,274.14

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

- 1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403 sets out the reimbursement guidelines for outpatient hospital services.
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
- P12 - Workers' Compensation State Fee Schedule Adj
- P14 - Payment is included in another svc/procdre occurring on same day

Issues

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

Findings

1. The requestor is seeking additional reimbursement in the amount of \$1,865.51 for outpatient hospital services rendered on August 30 – 31, 2018. The insurance carrier reduced disputed services based on workers compensation state 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 requestor is seeking reimbursement of services billed under Revenue Code 350 (CT Scan 71260, 72125, 74177), Revenue Code 424, Physical Therapy Evaluation (97161), Revenue Code 610, Magnetic Resonance Tech (72146, 72148). While each of these services have status indicators that would normally allow payment, these emergency room services were billed with a total of 22 hours of observation.

Medicare payment policy outlined in MM9486 states,

*Comprehensive Observation Services C-APC (APC 8011) Effective January 1, 2016, CMS will provide payment for all qualifying extended assessment and management encounters through newly created C-APC 8011 (Comprehensive Observation Services). **Any clinic visit, Type A Emergency Department (ED) visit, Type B ED visit, critical care visit, or direct referral for observation services furnished in a non-surgical encounter by a hospital in conjunction with observation services of eight or more hours, will qualify for comprehensive payment through C-APC 8011.***

The definition of the comprehensive APC is, "Comprehensive APC payment based on OPPS comprehensive-specific payment criteria. Payment for all covered Part B services on the claim is packaged into a single payment for specific combinations of services, except services with OPPS SI=F,G,H,L and U; ambulance services; diagnostic and screening mammography; all preventive services; and certain Part B inpatient services."

The services in dispute are not exempt from being included in the comprehensive APC of 8011. The fee based on the DWC rules and fee guidelines in found below.

2. 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.

The medical bill did not contain a separate request for implants. The maximum allowable reimbursement per the above is calculated as follows:

- Procedure code 99291 has status indicator J2 and is assigned APC 8011. The OPPS Addendum A rate is \$2,349.82, multiplied by 60% for an unadjusted labor amount of \$1,409.89, in turn multiplied by the facility wage index of 0.787 for an adjusted labor amount of \$1,109.58. The non-labor portion is 40% of the APC rate, or \$939.93. The sum of the labor and non-labor portions is \$2,049.51. The Medicare facility specific amount of \$2,049.51 is multiplied by 200% for a MAR of \$4,099.02.
2. The total recommended reimbursement for the disputed services is \$4,099.02. The insurance carrier paid \$2,824.88. The amount due is \$1,274.14. 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 \$1,274.14.

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 \$1,274.14, 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	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.