



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

UT HEALTH TYLER

Respondent Name

VALLEY FORGE INSURANCE COMPANY

MFDR Tracking Number

M4-19-3985-01

Carrier's Austin Representative

Box Number 57

MFDR Date Received

April 29, 2019

Response Submitted By

Law Office of Brian J. Judis

REQUESTOR'S POSITION SUMMARY

[The requestor did not submit a position statement for consideration in this review.]

RESPONDENT'S POSITION SUMMARY

"Carrier respectfully requests an order of no additional reimbursement due as the bills were processed properly in compliance with the Texas labor Code and the Administrative Rules."

SUMMARY OF DISPUTE

Dates of Service	Disputed Services	Dispute Amount	Amount Due
November 29, 2018	Outpatient Hospital Services	\$212.23	\$212.23

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:
 - MCMP - The final recommended reimbursement for CMS Hospital Outpatient APC Composite is reflected on this line.
 - MJ1N – Recommended reimbursement is based on CMS Hospital Outpatient status indicator J1: Comprehensive APC Non–Complexity Adjustment.
 - MOPS – Services reduced to the Outpatient Prospective Payment System (OPPS)
 - P300 – The amount paid reflects a fee schedule reduction.
 - Z652 – Recommendation of payment has been based on this procedure code 66336077430 which best describes services rendered.
 - Z710 – The charge for this procedure exceeds the fee schedule allowance.
 - P12 – Workers' compensation jurisdictional fee schedule adjustment.
 - W3 – Request for reconsideration.
 - 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.

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, which requires the maximum allowable reimbursement (MAR) be the Medicare facility specific amount applying Medicare Outpatient Prospective Payment System (OPPS) formulas and factors 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 hospital 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.

The respondent's position statement asserts that the Federal Fiscal Year 2018 Wage Index used to calculate payment for this facility was 0.7870. However, the date of service is November 29, 2018. This date falls within calendar year 2018 but does not fall within Federal Fiscal Year 2018. The Federal Fiscal Year begins on October 1st. Accordingly, the service date fell within Federal Fiscal Year 2019.

Rule §134.403(d)(3) requires that, "Whenever a component of the Medicare program is revised and effective, use of the revised component shall be required for compliance with Division rules, decisions, and orders for services rendered on and after the effective date..."

Medicare revises and publishes its annual wage index factors effective during the Federal Fiscal Year, available from: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/wageindex.html>

The Medicare FY 2019 wage index factor for this facility, effective for date of service November 29, 2018 was 0.8244.

Reimbursement for the disputed services is calculated as follows:

- Procedure code 26392 has status indicator J1, for procedures paid at a comprehensive rate. All covered services on the bill are packaged with the primary "J1" procedure. This code is assigned APC 5114. The OPPS Addendum A rate is \$5,606.42, multiplied by 60% for an unadjusted labor amount of \$3,363.85, which is in turn multiplied by the facility wage index of 0.8244 for an adjusted labor amount of \$2,773.16. The non-labor portion is 40% of the APC rate, or \$2,242.57. The cost of services does not exceed the threshold for outlier payment. The sum of the labor and non-labor portions is the Medicare facility specific amount of \$5,015.73. This is multiplied by 200% for a MAR of \$10,031.46.
- Payment for all other services on the bill is packaged with the primary comprehensive J1 service per Medicare policy regarding comprehensive APCs. See *Medicare Claims Processing Manual* Chapter 4 §10.2.3 for details.

The total recommended reimbursement for the disputed services is \$10,031.46. The insurance carrier paid \$9,779.84. The requestor is seeking additional reimbursement of \$212.23. 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 \$212.23.

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 \$212.23, 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 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. 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.