MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name	**Respondent Name**
SETON MEDICAL CENTER HARKER HEIGHTS	HARTFORD CASUALTY INSURANCE COMPANY
MFDR Tracking Number	**Carrier's Austin Representative**
M4-19-4149-01	Box Number 47
MFDR Date Received	**Response Submitted By**
May 16, 2019	The Hartford

REQUESTOR'S POSITION SUMMARY

"CPT 29827 is the major surgical code that was calculated using the Whole APC … the facility did not request separate reimbursement for implants."

RESPONDENT'S POSITION SUMMARY

"Services were processed in accordance with TAC §134.403, §134.203 (b) (1)."

SUMMARY OF DISPUTE

Dates of Service	Disputed Services	Dispute Amount	Amount Due
January 9, 2019	Outpatient Hospital Services: HCPCS Code 29827	$123.82	$123.82

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

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 hospital facility fee guideline for outpatient services.
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
   - 802 – CHARGE FOR THIS PROCEDURE EXCEEDS THE OPPS SCHEDULE ALLOWANCE
   - P12 – WORKERS' COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT.
   - 4097 - PAID PER FEE SCHEDULE; CHARGE ADJUSTED BECAUSE STATUTE DICTATES ALLOWANCE IS GREATER THAN PROVIDER'S CHARGE.
   - 45 – Charge exceeds fee schedule/maximum allowable or contracted legislated fee arrangement.
   - 1014 - THE ATTACHED BILLING HAS BEEN RE-EVALUATED AT THE REQUEST OF THE PROVIDER. BASED ON THIS RE-EVALUATION, WE FIND OUR ORIGINAL REVIEW TO BE CORRECT. THEREFORE, NO ADDITIONAL ALLOWANCE APPEARS TO BE WARRANTED.
   - W3 – ADDITIONAL PAYMENT MADE ON APPEAL/RECONSIDERATION.
   - 193 – ORIGINAL PAYMENT DECISION IS BEING MAINTAINED. UPON REVIEW, IT WAS DETERMINED THAT THIS CLAIM WAS PROCESSED PROPERLY.

Issues

1. Are the disputed services subject to a contracted fee arrangement between the parties to this dispute?
2. Is the requestor entitled to additional reimbursement?

<u>Findings</u>

1. The insurance carrier denied disputed services with claim adjustment reason code:

   - 45 – Charge exceeds fee schedule/maximum allowable or contracted legislated fee arrangement.

   Review of the submitted documentation finds no information to support that the disputed services are subject to a contractual agreement between the parties to this dispute.

2. 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. Separate reimbursement for implants was not requested.

   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.

   Reimbursement for the disputed services is calculated as follows:

   - Procedure code 29827 has status indicator J1, for services 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 $5,699.59. This is multiplied by 60% for an unadjusted labor amount of $3,419.75, in turn multiplied by wage index 0.9701 for an adjusted labor amount of $3,317.50. The non-labor portion is 40% of the APC rate, or $2,279.84. Costs do not meet the threshold for outlier payment. The sum of labor and non-labor portions is the Medicare facility specific amount of $5,597.34. This is multiplied by 200% for a MAR of $11,194.68.

   - 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 $11,194.68. The insurance carrier paid $11,064.04. The requestor is seeking additional reimbursement of $123.82. This amount is recommended.

<u>Conclusion</u>

For the reasons above, the division finds that additional payment is due. As a result, the amount ordered is $123.82.

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 $123.82, plus accrued interest per Rule §134.130, due within 30 days of receipt of this order.

<u>Authorized Signature</u>

	Grayson Richardson	June 14, 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.

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.