



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

NEW HAMPSHIRE INSURANCE COMPANY

MFDR Tracking Number

M4-19-4165-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

May 17, 2019

Response Submitted By

Gallagher Bassett

REQUESTOR'S POSITION SUMMARY

"CPT code 31571 is a surgical code that has been underpaid. This is the MAJOR CPT surgical code with a status indicator J2 that is to be paid per the APC payment guidelines."

RESPONDENT'S POSITION SUMMARY

"Pricing is correct."

SUMMARY OF DISPUTE

Dates of Service	Disputed Services	Dispute Amount	Amount Due
February 7, 2019	Outpatient Hospital Services: 31502, 31571, J9280	\$4,237.56	\$0.00

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:
 - MOPS – SERVICES REDUCED TO THE OUTPATIENT PROSPECTIVE PAYMENT SYSTEM (OPPS)
 - P300 – THE AMOUNT PAID REFLECTS A FEE SCHEDULE REDUCTION.
 - Z710 - THE CHARGE FOR THIS PROCEDURE EXCEEDS THE FEE SCHEDULE ALLOWANCE.
 - 00137 – 97 – THE BENEFIT FOR THIS SERVICE IS INCLUDED IN THE PAYMENT/ALLOWANCE FOR ANOTHER SERVICE/PROCEDURE THAT HAS ALREADY BEEN ADJUDICATED.
 - 00223 – P12 – WORKERS' COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT.
 - 00663 – REIMBURSEMENT HAS BEEN CALCULATED ACCORDING TO STATE FEE SCHEDULE GUIDELINES.
 - Z652 - RECOMMENDATION OF PAYMENT HAS BEEN BASED ON A PROCEDURE CODE WHICH BEST DESCRIBES SERVICES RENDERED.
 - ZE10 – W3 – REQUEST FOR RECONSIDERATION.
 - ZD86 – 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 these disputed facility services.

Rule §134.403(d) requires that for coding, billing, reporting, and reimbursement of covered health care: "Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided" with any additions or exceptions as specified in the division's rules.

Reimbursement for the disputed services is calculated as follows:

- Procedure code 31502 has status indicator T, for procedures subject to multiple-procedure reduction. This code is assigned APC 5161. The OPPS Addendum A rate is \$206.14, which is multiplied by 60% for an unadjusted labor amount of \$123.68, in turn multiplied by the facility wage index of 0.8154 for an adjusted labor amount of \$100.85. The non-labor portion is 40% of the APC rate, or \$82.46. The sum of the labor and non-labor portions is the Medicare facility specific amount of \$183.31. This is multiplied by 200% for a MAR of \$366.62.
- Per Medicare correct coding policy (NCCI edits), procedure code 31541 may not be reported with code 31502 billed on the same claim. A modifier may be allowed if supported by documentation to distinguish separate services. The health care provider did not bill this service with a modifier. Reimbursement for this service is included with payment for the primary procedure. Separate payment cannot be recommended.
- Per Medicare correct coding policy (NCCI edits), procedure code 31571 may not be reported with code 31502 billed on the same claim. A modifier may be allowed if supported by documentation to distinguish separate services. The health care provider did not bill this service with a modifier. Reimbursement for this service is included with payment for the primary procedure. Separate payment cannot be recommended.
- Procedure codes J2370, J2704, and J2704 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 J9280 has status indicator K, for non-pass-through drugs and biologicals separately paid by APC. This code is assigned APC 1232. The OPPS Addendum A rate is \$125.07. This is multiplied by 60% for an unadjusted labor amount of \$75.04, in turn multiplied by the facility wage index of 0.8154 for an adjusted labor amount of \$61.19. The non-labor portion is 40% of the APC rate, or \$50.03. Per Medicare payment policy, drugs, biologicals, and other items and services paid at charges adjusted to cost are not eligible for outlier payment (see *Medicare Claims Processing Manual*, CMS Publication 100-04, Chapter 4, §10.7.1). The sum of the labor and non-labor portions is the Medicare facility specific amount of \$111.22. This is multiplied by 200% for a MAR of \$222.44.

The total recommended reimbursement for the disputed services is \$589.06. The insurance carrier paid \$616.41. Additional payment is not recommended.

Conclusion

In resolving disputes regarding the amount of payment due for health care determined to be medically necessary and appropriate for treatment of a compensable injury, the role of the division is to adjudicate the payment, given the relevant statutory provisions and division rules. The findings in this decision are based on the evidence available at the time of review. Even though not all the evidence was discussed, it was considered.

For the reasons above, the division finds the requestor has not established that additional payment is due. As a result, the amount ordered is \$0.00.

ORDER

In accordance with Texas Labor Code §413.031, based on the information submitted for review, the division hereby determines the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature

Signature

Grayson Richardson
Medical Fee Dispute Resolution Officer

June 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.