



# 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**

Physician Mgmt Svcs dba Injury 1

**Respondent Name**

First Liberty Insurance Co

**MFDR Tracking Number**

M4-19-4277-01

**Carrier's Austin Representative**

Box Number 1

**MFDR Date Received**

May 29, 2019

**Response Submitted by:**

Liberty Mutual

#### REQUESTOR'S POSITION SUMMARY

"The attached claims have not been paid correctly."

#### RESPONDENT'S POSITION SUMMARY

"The bill has been reviewed and adjusted for payment – copies of EOBs will be submitted for your review once available. The bills for DOS 071818 and 072018 have been reviewed and no additional payment is due as the provider billed CPT codes 97150, 97110, and 97530 together."

#### SUMMARY OF FINDINGS

Date of Service	Disputed Services	Amount in Dispute	Amount Ordered
July 6 – 23, 2018	Physical therapy services	\$733.62	\$0.00

#### 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

- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
- 28 Texas Administrative Code §134.203 sets out the reimbursement guidelines for professional medical services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 163 – The charge for this procedure exceeds the unit value and/or the multiple procedure rules
  - 309 – The charge for this procedure exceeds the fee schedule allowance
  - 86 – Service performed was distinct or independent from other services performed on the same day
  - 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly
  - 906 – In accordance with clinical based coding edits

## Issues

1. Does the multiple procedure payment reduction rule apply to the services in dispute?
2. What is the total allowable reimbursement for services in dispute?
3. Is the requestor entitled to additional reimbursement?

## Findings

Physician Mgmt Svcs is seeking additional reimbursement for physical therapy services rendered in July 2018. First Liberty Insurance reduced payment based upon “fee schedule being exceeded” and “multiple procedure rules.”

1. The fee guideline for the professional services in dispute is found at 28 TAC 134.203. Rule §134.203 paragraph (a)(7) also states that Medicare payment policies apply to professional services.

Payment reductions were made by the carrier based upon multiple procedure rules. The *Centers for Medicare and Medicaid Claims Processing Manual 100-04, Chapter 5 titled Part B Outpatient Rehabilitation and CORF/OPT Services* applies and sets the policies applicable to physical therapy services.

Review of the Medicare policies finds that the multiple procedure payment reduction (MPPR) applies to the Practice Expense (PE) of certain time-based physical therapy codes when more than one unit or procedure is provided to the same patient on the same day. Medicare publishes a list of the codes subject to MPPR annually.

For 2019 the codes subject to MPPR are found in the *CY 2018 PFS Final Rule Multiple Procedure Payment Reduction Files*. Review of that list find the codes in dispute are subject to MPPR policy.

The division concludes that the MPPR policy applies to the services in dispute.

2. Applicable 28 TAC 134.203(h) states that the total reimbursement is the lesser of the maximum allowable reimbursement (MAR) and the billed amount.

The MPPR policy states that:

- Full payment is made for the unit or procedure with the highest Practice Expense (PE) payment factor; and
- For subsequent units the Practice Expense (PE) payment factor is reduced by 50 percent.

Review of the submitted medical bills provided indicates that multiple procedures were billed by the health care provider. In order to determine whether the MPPR applies to the service in dispute, the DWC must rank all the services provided by their PE payment factor.

Here is a chart ranking the PE payment for each of the codes billed by the health care provider listed on the DWC060.

CODE	PRACTICE EXPENSE	Medicare Policy
97110	<b>0.4</b>	<b>Highest when 97530 was not billed</b>
97150	0.22	MPPR applies
G0283	0.23	MPPR applies
97530	<b>0.69</b>	<b>Highest when billed</b>

As shown above, code 97110 **does not** have the highest PE payment among the services billed by the provider when code 97530 is billed, therefore the reduced PE payment applies and will also apply when more than one unit of 97110 is billed.

The *MPPR Rate File* that contains the payments for 2018 services is found at <https://www.cms.gov/Medicare/Billing/TherapyServices/index.html>.

- MPPR rates are published by carrier and locality.
- The services were provided in Waco Texas.
- The carrier code for Texas is 4412 and the locality code for Waco is 99.

The following formula represents the calculation of the DWC MAR at §134.203 (c)(1) & (2).

$$(DWC \text{ Conversion Factor} \div Medicare \text{ Conversion Factor}) \times Medicare \text{ Payment} = MAR$$

The table below illustrates the calculation of the total allowable reimbursement for the disputes services is shown below:

Date of Service	Code	Medicare Payment	Maximum Allowable Reimbursement (MAR) §134.203 (c)(1) & (2)	Billed Amount From medical bill	Reimbursement §134.203 (h) Lesser of MAR and billed amount	Does CCI edit exist
July 6, 2018	97110	\$30.28 \$23.53 <sup>1</sup>	$58.31 \div 35.9996 \times \$30.28 = \$49.05$ $58.31 \div 35.996 \times \$23.53 = \$38.11 \times 3 = \$114.34$	\$220.00	\$163.39	
July 13, 2018	97110	\$30.28 \$23.53 <sup>1</sup>	$58.31 \div 35.9996 \times \$30.28 = \$49.05$ $58.31 \div 35.996 \times \$23.53 = \$38.11$	\$160.00	\$87.16	
July 13, 2018	97150	\$14.44 <sup>1</sup>	$58.31 \div 35.996 \times \$14.44 = \$23.39$	\$50.00	\$23.39	
July 18, 2018	97110	\$23.53 <sup>1</sup>	$58.31 \div 35.996 \times \$23.53 \times 3 = \$114.34$	\$165.00	Denial upheld	Yes, between this code and 97150
July 18, 2018	97530	\$39.71	$58.31 \div 35.996 \times \$39.71 = \$64.32$	\$60.00	Denial upheld	Yes, between this code and 97150

July 20, 2018	97110	\$23.53 <sup>1</sup>	$58.31 \div 35.996 \times \$23.53 \times 3 = \$114.34$	\$165.00	Denial upheld	Yes, between this code and 97150
July 20, 2018	97530	\$39.71	$58.31 \div 35.996 \times \$39.71 = \$64.32$	\$60.00	Denial upheld	Yes, between this code and 97150
July 23, 2018	97110	\$23.53 <sup>1</sup>	$58.31 \div 35.996 \times \$23.53 \times 3 = \$114.34$	\$165.00	Denial upheld	Yes, between this code and 97150
July 23, 2018	97530	\$39.71	$58.31 \div 35.996 \times \$39.71 = \$64.32$	\$60.00	Denial upheld	Yes, between this code and 97150
July 23, 2018	97150	97150	$58.31 \div 35.996 \times \$14.44 = \$23.39$	\$50.00	\$23.39	
<sup>1</sup> MPPR reduced payment				Total Allowable Reimbursement	\$297.33	

The total allowable DWC fee guideline reimbursement amount disputed services is \$297.33.

- Application of the MPPR and the applicable DWC fee guideline rule result in a total reimbursement amount of \$297.33 for the services in dispute. The carrier paid 303.34. No additional reimbursement is due.

**Conclusion**

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

***ORDER***

Based on the submitted information, pursuant to Texas Labor Code Section 413.031, the division hereby determines the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

**Authorized Signature**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

\_\_\_\_\_  
August 21, 2019  
Date

**RIGHT TO APPEAL**

Either party to this medical fee dispute may seek review of this division decision. To appeal, submit form division Form-045M titled ***Request to Schedule, Reschedule, or Cancel a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (BRC-MFD)*** found at <https://www.tdi.texas.gov/forms/form20numeric.html>.

Follow the instructions on pages 3 and 4. The request must be received by the division within twenty days of your receipt of this decision. This decision becomes final if the request for review of this decision is not timely made. 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.

If you have questions about the division Form-045M, please call CompConnection at 1-800-252-7031, Option 3 or you may email your question to [CompConnection@tdi.texas.gov](mailto:CompConnection@tdi.texas.gov)

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a CompConnection 1-800-252-7031 opción 3, o correo electrónico a [CompConnection@tdi.texas.gov](mailto:CompConnection@tdi.texas.gov)