



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's Surgical Hospital

Respondent Name

Texas Mutual Insurance Co

MFDR Tracking Number

M4-19-4452-01

Carrier's Austin Representative

Box Number 54

MFDR Date Received

June 10, 2019

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Please continue with dispute. Per TX Fee Schedule, this bill was underpaid."

Amount in Dispute: \$464.74

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "This is a network bill, any reductions to the PPO would need to be addressed with the network."

Response Submitted by: Texas Mutual

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Row 1: April 4, 2019, Outpatient Hospital Services, \$464.74, \$464.74

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 Jurisdictional Fee Schedule Adjustment
- 45 - Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement
- 370 - This hospital outpatient allowance was calculated according to the APC rate, plus a markup
- 729 - This bill was reviewed in accordance with your Coventry Contract

Issues

1. Is the respondent's position supported?
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 states, "This is a network bill..." Review of the explanation of benefits found reference to a "Coventry" contract. Although Coventry is listed as a certified network on the Division's webpage, the carrier did not provide convincing evidence that the injured employee is enrolled in this network, nor did the carrier provide documentation to support that the requestor is contracted with Coventry. The services in dispute will be reviewed per applicable fee guidelines.
2. The requestor is seeking additional reimbursement in the amount of \$464.74 for outpatient hospital services rendered on April 4, 2019. The insurance carrier reduced disputed based on workers' compensation fee schedule and contracted/legislated rate.

28 Texas Administrative Code §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.

Review of the submitted medical bill found a separate request for implants is not applicable. The maximum allowable reimbursement per the above is calculated as follows:

- Procedure code 23410 has status indicator J1, for procedures paid at a comprehensive rate. The OPPS Addendum A rate is \$5,699.59, multiplied by 60% for an unadjusted labor amount of \$3,419.75, in turn multiplied by the facility wage index of 0.8154 for an adjusted labor amount of \$2,788.46. The non-labor portion is 40% of the APC rate, or \$2,279.84. The sum of the labor and non-labor portions is \$5,068.30. The Medicare facility specific amount of \$5,068.30 is multiplied by 200% for a MAR of \$10,136.60.
2. The total recommended reimbursement for the disputed services is \$10,136.60. The insurance carrier paid \$9,629.78. The requestor is seeking additional reimbursement of \$464.74. 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 \$464.74.

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 \$464.74, 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

July 31, 2019

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.