



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

TEXAS SURGICAL CENTER

Respondent Name

STATE OFFICE OF RISK MANAGEMENT

MFDR Tracking Number

M4-19-4685-01

Carrier's Austin Representative

Box Number 45

MFDR Date Received

JUNE 25, 2019

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The attached claim was not paid according to the 2018 Texas Workers Compensation Fee Schedule and Guidelines for Ambulatory Surgical Centers."

Requestor's Supplemental Position Summary dated August 9, 2019: "This one, SORM did send an additional payment but it is still not what we believe the fee schedule to be. Please continue with the MDR."

Amount in Dispute: \$7,782.94

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "the Office performed an in-depth review of the disputed charges for date of service 11/09/2018 and determined that an additional payment will be requested in accordance with the Division's rules and payment policies under Rule §134.402."

Respondent's Supplemental Position Summary dated August 9, 2019: "Please see attached the 3 payments the Office has reimbursed the requestor the third EOB is an in house payment that I processed on 7/10/2019."

Response Submitted by: SORM

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
November 9, 2018	Ambulatory Surgical Care Services CPT Code 63685	\$7,782.94	\$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, effective May 31, 2012 sets out the procedures for resolving medical fee disputes.

2. 28 Texas Administrative Code §134.402, effective August 31, 2008, sets out the reimbursement guidelines for ambulatory surgical care services.
3. The insurance carrier paid/denied/ reduced payment for the disputed services with the following claim adjustment codes:
 - 983-Charge for this procedure exceeds Medicare ASC schedule allowance.
 - P12-Workers' compensation jurisdictional fee schedule adjustment.
 - 5080-Based on the receipt of additional information and/or clarification, we are recommending further payment be made for the above noted procedure code(s).
 - W3-Additional payment made on appeal/reconsideration.

Issues

Is the requestor entitled to additional reimbursement for ASC services related to CPT code 63685?

Findings

1. The fee guideline for ASC services is found in 28 Texas Administrative Code §134.402.
2. 28 Texas Administrative Code §134.402(b) (6) states, "Definitions for words and terms, when used in this section, shall have the following meanings, unless clearly indicated otherwise. "Medicare payment policy" means reimbursement methodologies, models, and values or weights including its coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare."
3. 28 Texas Administrative Code §134.402(d) states "For coding, billing, and reporting, of facility services covered in this rule, Texas workers' compensation system participants shall apply the Medicare payment policies in effect on the date a service is provided with any additions or exceptions specified in this section, including the following paragraphs."
4. CPT code 63685 is described as "Insertion or replacement of spinal neurostimulator pulse generator or receiver, direct or inductive coupling."

Per ADDENDUM AA, CPT code 63685 is a device intensive procedure and is exempt from the multiple procedure rule discounting.

5. The requestor did not request separate reimbursement for the implantables; therefore, Division rule at 28 TAC §134.402(f)(2)(A)(i)(ii) applies to this dispute.

Division rule at 28 TAC §134.402(f)(2)(A)(i)(ii) states "The reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the *Federal Register*. Reimbursement shall be based on the fully implemented payment amount as in ADDENDUM AA, ASC COVERED SURGICAL PROCEDURES FOR CY 2008, published in the November 27, 2007 publication of the *Federal Register*, or its successor. The following minimal modifications apply: (2) Reimbursement for device intensive procedures shall be: (A) the sum of: (i) the ASC device portion; and (ii) the ASC service portion multiplied by 235 percent."

The following formula was used to calculate the MAR:

- Step 1 calculating the device portion of the procedure:

The national reimbursement is found in the Addendum B for National Hospital Outpatient Prospective Payment System (OPPS) code 63685 for CY 2018 = \$27,891.79.

The device dependent APC offset percentage* for National Hospital OPPS is 82.77%.

Multiply these two = \$23,086.03

- Step 2 calculating the service portion of the procedure:

Per Addendum AA, the Medicare fully implemented ASC reimbursement rate for code 63685 for CY 2018 is \$22,892.96.

This number is divided by 2 = \$11,446.48.

This number multiplied by the City Wage Index for Midland, TX of 0.9114 = \$10,432.32.

The sum of these two is the geographically adjusted Medicare ASC reimbursement = \$21,878.80.

The service portion is found by taking the geographically adjusted Medicare ASC rate of \$21,878.80 minus the device portion of \$23,086.03 = -\$1,207.23.

Multiply the geographical adjusted ASC reimbursement by the DWC payment adjustment of 235% = -\$2,836.99.

- Step 3 calculating the MAR:

The MAR is determined by adding the sum of the reimbursement for the device portion and the service portion = \$20,249.04.

The division finds the MAR for CPT code 63685 is \$20,249.04. The insurance carrier paid \$20,249.04. The division finds the requestor has been paid per the fee guideline; therefore, additional reimbursement is not due.

*The offset percentage for 2018 is found on the [CMS Hospital Outpatient PPS](#) page. Click on [Annual Policy Files](#) on the left hand side of the page, then go to 2018. Click on *2018 OPPS HCPCS Device Offset File* to access to the Final CY 2018 Device offsets.

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 upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 reimbursement for the disputed services.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

08/15/2019
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, 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.