



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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AMENDED MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Texas Health Southlake

Respondent Name

Insurance Co of the State of PA

MFDR Tracking Number

M4-19-4878-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

July 15, 2019

Response Submitted by:

Flahive Ogden & Latson

REQUESTOR'S POSITION SUMMARY

"The purpose of this letter is to inform you that payment for services provided to the above referenced patient does not comply with Chapters 134.403 and 134.404 of Texas Administrative Code."

RESPONDENT'S POSITION SUMMARY

"The provider has already been reimbursed monies as indicated on the carrier's EOBs that are part of the DWC-60 packet. The provider is not entitled to any additional reimbursement."

SUMMARY OF FINDINGS

Date of Service	Disputed Services	Amount in Dispute	Amount Ordered
February 7-26, 2019	Physical therapy services	\$61.15	\$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 §134.403 sets out the reimbursement guidelines for outpatient hospital services.
- 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:
 - 59 – Processed based on multiple or concurrent procedure rules
 - P12 – Workers' compensation jurisdictional fee schedule adjustment

Issues

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

Findings

The requestor is seeking additional reimbursement for codes 97110 and 97140 rendered in an outpatient hospital setting during February 2019. The insurance company reduced payment based upon "benefit "multiple procedure rules" and "workers' compensation jurisdictional fee schedule."

1. The applicable Division Rule is found in 28 Texas Administrative Code 134.403 (h) which states,

For medical services provided in an outpatient acute care hospital, but not addressed in the Medicare payment policies as outlined in subsections (f)(1) or (f)(2) of this section, and for which Medicare reimburses using other Medicare fee schedules, reimbursement shall be made using the applicable Division Fee Guideline in effect for that service on the date the service was provided.

The OPSS reimbursement formula factors are found at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html>. The status indicator for each of the HCPCS code listed on the DWC060 have an "A" status indicator which is defined as, "Not paid under OPSS. Paid by MACs under a fee schedule or payment system other than OPSS."

Based on the requirements of 28 Texas Administrative Code §134.403 (h) the applicable Division fee guideline is found in 28 Texas Administrative Code §134.203.

2. The fee guideline for the professional services is 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 2019 PFS Final Rule Multiple Procedure Payment Reduction Files*. Review of that list find the disputed codes are subject to MPPR policy.

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

3. 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 February 2019, medical bill 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 on the medical bill by their PE payment factor.

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

CODE	PRACTICE EXPENSE	Medicare Policy
97110	0.4	MPPR applies
97112	0.47	Highest rank, no MPPR
97140	0.35	MPPR applies

As shown above, code 97112 **has** the highest PE payment among the services billed by the provider on dates of service February 21 and 26, 2019. On the other dates of service code 97110 has the highest.

The *MPPR Rate File* that contains the payments for 2019 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 Southlake, Texas.
- The carrier code for Texas is 4412 and the locality code for Southlake is 28.

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

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

The table below illustrates the calculation of the total allowable reimbursement for the dates of service in dispute.

Date of Service	Code	Units	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
February 5, 2019	97110	2	\$31.08 1st unit \$23.98 ¹ 2nd unit	\$51.05 + \$39.38 = \$90.43	\$325.00	\$90.43
February 7, 2019	97110	2	\$31.08 1st unit \$23.98 ¹ 2nd unit	\$51.05 + \$39.38 = \$90.43	\$325.00	\$90.43
February 13, 2019	97110	1	\$31.08	\$51.05	\$162.50	\$51.05
February 15, 2019	97110	1	\$31.08	\$51.05	\$162.50	\$51.05
February 19, 2019	97110	1	\$31.08	\$51.05	\$162.50	\$51.05
February 21, 2019	97110	1	\$23.98 ¹	\$39.38	\$162.50	\$39.38
February 26, 2019	97110	2	\$23.98 ¹	\$39.38 x 2 = \$78.77	\$325.00	\$78.77
February 21, 2019	97112	1	\$35.39	\$58.12	\$149.50	\$58.12

February 26, 2019	97112	1	\$35.39	\$58.12	\$149.50	\$58.12
February 7, 2019	97140	1	\$22.09 ¹	\$36.28	\$146.25	\$36.28
February 13, 2019	97140	1	\$22.09 ¹	\$36.28	\$146.25	\$36.28
February 15, 2019	97140	1	\$22.09 ¹	\$36.28	\$146.25	\$36.28
February 19, 2019	97140	1	\$22.09 ¹	\$36.28	\$146.25	\$36.28
February 21, 2019	97140	1	\$22.09 ¹	\$36.28	\$146.25	\$36.28
February 26, 2019	97140	1	\$22.09 ¹	\$36.28	\$146.25	\$36.28
¹ MPPR reduced payment					Total Allowable Reimburse ment	\$786.08

4. Based on the submitted DWC 60, the requestor is disputing the following:

Code 97110 for date of service February 21 and 26, 2019. The allowable shown above for one unit of Code 97110, February 21, 2019 is \$39.38. The insurance carrier paid \$39.38. No additional payment due.

For date of service February 26, 2019 for two units of 97110 the allowable is \$78.77. The insurance carrier paid \$78.76. No additional payment is recommended.

Code 97140 for dates of service February 7 – 26, 2019, one unit has an allowable shown above of \$36.28. The insurance carrier paid \$36.29 for each disputed date of service. No additional payment 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 9, 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

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