



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

UT Health Quitman

Respondent Name

Imperium Insurance Co

MFDR Tracking Number

M4-19-5032-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

July 29, 2019

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "This bill has been underpaid."

Amount in Dispute: \$524.20

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "At this time, we conclude that there is no additional payment due based on the following. ...CPT 72125, 70450 and 99284 were reimbursed according to the Medicare OPPS Fee Schedule. Revenue Code 250, 264, 270, 272 and 36415, 80053, 85025, 85610 and 85730 – denied message code 4915 – The charge for the services represented by the revenue code are included/bundled into the total facility payment and do not warrant a separate payment or the payment status indicator determines the service is packaged or excluded from payment."

Response Submitted by: Equian

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 27, 2019	Outpatient Hospital Services	\$524.20	\$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.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated

- P12 – Workers’ compensation jurisdictional fee schedule adjustment
- 802 – Charge for this procedure exceeds the OPPTS schedule allowance
- 4915 – The charge for the service represented by the revenue code are included/bundled into the total facility payment and do not warrant a separate payment or the payment status indicator determines the service is packaged or excluded from payment

Issues

1. Is the insurance carrier’s reduction of payment 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 is seeking additional reimbursement in the amount of \$524.20 for outpatient hospital services rendered on March 27, 2019. The insurance carrier reduced disputed services based on the workers’ compensation fee schedule and payment status indicator.

28 Texas Administrative Code §134.403 (d) states, Medicare payment policies apply to Texas workers’ compensation system participants.

The Medicare payment policy applicable to the services in dispute is found at www.cms.gov, Claims processing Manual, Chapter 4, Section 10.1.1 - Payment Status Indicators

An OPPTS payment status indicator is assigned to every HCPCS code. The status indicator identifies whether the service described by the HCPCS code is paid under the OPPTS and if so, whether payment is made separately or packaged. The status indicator may also provide additional information about how the code is paid under the OPPTS or under another payment system or fee schedule.

The Division find the reductions based on the Medicare payment policy does apply. The DWC fee guideline is discussed below.

2. The Division fee guideline is found in 28 TAC §134.403, (f) and 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 (OPPTS) 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 implants were not applicable. The maximum allowable reimbursement per the above is calculated as follows:

- Procedure code 36415 has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code 80053 has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code 85025 has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code 85610 has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.

- Procedure code 85730 has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code 72125 has status indicator Q3. This code is assigned to composite APC 8005. The payment for composite services is calculated below.
- Procedure code 70450 has status indicator Q3. This code is assigned to composite APC 8005. The payment for composite services is calculated below.
- Procedure code 12001 has status indicator Q1, for STV-packaged codes; reimbursement is packaged with payment for any service assigned status indicator S, T or V. This code is package into code 99284.
- Procedure code 99284 would have a status indicator J2 if 8 or more hours observation billed was billed but as observation hours were not billed, this code has a status indicator of V. This code is assigned APC 5024. The OPPS Addendum A rate is \$360.37, multiplied by 60% for an unadjusted labor amount of \$216.22, in turn multiplied by the facility wage index of 0.8106 for an adjusted labor amount of \$175.27. The non-labor portion is 40% of the APC rate, or \$144.15. The sum of the labor and non-labor portions is \$319.42. The Medicare facility specific amount of \$319.42 is multiplied by 200% for a MAR of \$638.84.
- Procedure codes 72125 and 70450 are assigned composite APC 8005, for computed tomography (CT) services without contrast. The OPPS Addendum A rate is \$264.95, multiplied by 60% for an unadjusted labor amount of \$158.97, in turn multiplied by the facility wage index of 0.8106 for an adjusted labor amount of \$128.86. The non-labor portion is 40% of the APC rate, or \$105.98. The sum of the labor and non-labor portions is \$234.84. The Medicare facility specific amount of \$234.84 is multiplied by 200% for a MAR of \$469.68.

3. The total recommended reimbursement for the disputed services is \$1,108.52. The insurance carrier paid \$1,108.52. Additional payment is not 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 \$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
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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.