



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 Health Rockwall

Respondent Name

Texas Mutual Insurance

MFDR Tracking Number

M4-19-5321-01

Carrier's Austin Representative

Box Number 54

MFDR Date Received

August 27, 2019

REQUESTOR'S POSITION SUMMARY

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."

Amount in Dispute: \$87.43

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "This what Texas Mutual did: paid the fee schedule amount for the physical therapy based on direction given by Addendum B and Rule 134.203. This is correct and no further payment is due."

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 3 - 29, 2019, Outpatient Therapy Services, \$87.43, \$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

- 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. 28 Texas Administrative Code §134.203 sets out the reimbursement guidelines for professional medical services.
4. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - P12 – Workers compensation jurisdictional fee schedule adjustment
 - 356 – This outpatient allowance was based on the Medicare methodology (Part B) plus the Texas markup
 - 650 – Allowance is reduced per the multiple procedure payment reduction for selected therapy services

Issues

1. Is the carrier's reduction of payment supported?
2. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor is seeking additional reimbursement for outpatient therapy services performed from April 3 - 29, 2019. The carrier reduced the allowed amount based in the multiple procedure discounts and the workers' compensation fee schedule.

The applicable DWC Rule is found in 28 TAC Code §134.403. The first applicable section is (d) which requires Texas workers' compensation system participants to apply the Medicare payment policies in effect on the date of service.

The Medicare 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 specific factor is the Status Indicators. 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 OPPS. Paid by MACs under a fee schedule or payment system other than OPPS."

Section (h) of Rule §134.403 requires when the provided services are reimbursed using other Medicare fee schedule, reimbursement shall be made using the applicable DWC fee guideline.

Based on the requirements of 28 TAC §134.403 (h) the applicable Division fee guideline is found in 28 TAC §134.203. The applicable fees are calculated below.

2. 28 TAC 134.203 (b) (1) requires that Texas workers' compensation system participants apply Medicare payment policies.

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 finds the codes in dispute are subject to MPPR policy.

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 bill provided indicates that two 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 in February 2019.

CODE	PRACTICE EXPENSE	Medicare Policy
97110	0.4	MPPR does not apply to first unit. MPPR applies to 2-4 units
97140	0.35	MPPR applies

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 Rockwall Texas.
- The carrier code for Texas is 4412 and the locality code for Rockwall is 99.

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

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

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

Date of Service	Code	Medicare Payment	Maximum Allowable Reimbursement (MAR) §134.203 (c)(1) & (2)	Medical bill amount	Lesser of MAR and billed amount
April 22, 2019	97110	\$30.31 \$23.55 ¹	$(59.19 \div 36.0391) \times \$30.31 = \$49.78$ $(59.19 \div 36.0391) \times \$23.55 \times 3 = \$116.03$	\$650.00	\$165.81
April 24, 2019	97110	\$30.31 \$23.55 ¹	$(59.19 \div 36.0391) \times \$30.31 = \$49.78$ $(59.19 \div 36.0391) \times \$23.55 \times 3 = \$116.03$	\$650.00	\$165.81
April 3, 2019	97140	\$21.70 ¹	$(59.19 \div 36.0391) \times \$21.70 = \$35.64$	\$146.25	\$35.64
April 8, 2019	97140	\$21.70 ¹	$(59.19 \div 36.0391) \times \$21.70 = \$35.64$	\$146.25	\$35.64
April 10, 2019	97140	\$21.70 ¹	$(59.19 \div 36.0391) \times \$21.70 = \$35.64$	\$146.25	\$35.64
April 15, 2019	97140	\$21.70 ¹	$(59.19 \div 36.0391) \times \$21.70 = \$35.64$	\$146.25	\$35.64
April 17, 2019	97140	\$21.70 ¹	$(59.19 \div 36.0391) \times \$21.70 = \$35.64$	\$146.25	\$35.64

April 22, 2019	97140	\$21.70 ¹	$(59.19 \div 36.0391) \times \$21.70 =$ \$35.64	\$146.25	\$35.64
April 24, 2019	97140	\$21.70 ¹	$(59.19 \div 36.0391) \times \$21.70 =$ \$35.64	\$146.25	\$35.64
April 29, 2019	97140	\$21.70 ¹	$(59.19 \div 36.0391) \times \$21.70 =$ \$35.64	\$146.25	\$35.64
¹ MPPR reduced payment				Total Allowable Reimbursement	\$616.74

Based on the applicable DWC fee guideline rule results in a total reimbursement amount of \$616.74 for the services in dispute. The carrier paid \$616.74. No additional payment is due.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

October 4, 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 DWC within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to DWC 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 TAC §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.