



# Texas Department of Insurance

## Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48  
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645  
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### MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

#### GENERAL INFORMATION

**Requestor Name**

LUFKIN PLASTIC SURGERY

**Respondent Name**

TEXAS MUTUAL INSURANCE CO

**MFDR Tracking Number**

M4-20-1874-01

**Carrier's Austin Representative**

Box Number 54

**MFDR Date Received**

APRIL 6, 2020

#### REQUESTOR'S POSITION SUMMARY

"We sought authorization...At the time of the request for authorization it was made clear that the service would be performed in our surgery facility, Lufkin Plastic Surgery and the charge would be 110.00 to cover the cost of supplies, and reprocessing of sterile instrument trays...The surgeon, Dr. Strinden filed his claim separately from the surgery center as it is a separate entity. The insurance company paid the surgeon but not he facility. Because we saved the company several hundreds of dollars by performing this in our office based surgery facility and not the hospital outpatient facility, I believe they should eagerly pay for the facility fee. We have had trouble collecting from them before for the facility fee but they have paid it in the past. It is Texas Mutual requirement that 24 should be used in place of service box instead of 11."

**Amount in Dispute:** \$110.00

#### RESPONDENT'S POSITION SUMMARY

"Dr. Strinden obtained preauthorization for procedure code 26055 on 4/30/2019. Texas Mutual issued payment \$904.85. Dr. Strinden submitted a CMS 1500 with POS 11, billing for procedure being done at the office. Preauthorization was obtained for the correct location where the services were rendered...The provider submitted another bill same DOS and procedure with POS 22 (outpatient facility) and a different billed amount...The provider submitted a corrected bill with POS 24 noted on the CMS1500, it was submitted with the DWC60 packet. This has not been received prior to the DWC60 submission. The correction was changing POS 22 to changed to 24 for an ASC facility, however the license number for the ASC is not on the bill...According to Medicare Fee Guidelines the supplies used during a procedure is global to the procedure. The provider did not submit a bill with cpt or hcps codes for the supplies and instruments used...Per the documentation received and reviewed, it does not appear that the surgery is a separate entity from the practice address for Dr. Strinden, it is the same location, payment for POS 11 was issued correctly. No additional payment is."

**Response Submitted by:** Texas Mutual Insurance Co.

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
April 30, 2019	CPT Code 26055	\$110.00	\$0.00

## **FINDINGS AND DECISION**

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

### **Background**

1. 28 Texas Administrative Code (TAC) §133.307, effective May 31, 2012 sets out the procedures for resolving a medical fee dispute.
2. 28 TAC §134.203, effective March 1, 2008, sets out the fee guidelines for reimbursement of professional medical services provided in the Texas workers' compensation system.
3. The services in dispute were reduced/denied by the respondent with the following reason codes:
  - CAC-16-Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.
  - 225-The submitted documentation does not support the service being billed. We will re-evaluate this upon receipt of clarifying information.
  - Code 26055 was paid on bill...maximum MAR was paid.
  - CAC-P12-Workers' compensation jurisdiction fee schedule adjustment.
  - 305-The implant is included in this billing and is reimbursed at the higher percentage calculation.
  - CAC-W3, 350-In accordance with TDI-DWC rule 134.804, this bill has been identified as a request for reconsideration or appeal.
  - CAC-18-Exact duplicate claim/service.
  - 878-Appeal (Request for reconsideration) previously processed. Refer to rule 133.250.
  - 891-No additional payment after reconsideration.

### **Issues**

1. Is the requestor entitled to reimbursement for Ambulatory Surgical Center (ASC) services?
2. Is the requestor entitled to reimbursement for facility services provided in an office?

### **Findings**

The requestor is seeking medical fee dispute resolution in the amount of \$110.00 for CPT code 26055 rendered on April 30, 2019.

The requestor contends that reimbursement of \$110.00 is due for the facility fees cost of supplies, and reprocessing of sterile instrument trays.

The requestor submitted bills with place of service 11, 22, and 24.

Medicare designates place of service 11-Office; 22-On Campus-Outpatient Hospital; and 24-Ambulatory Surgical Center.

#### **A. Place of Service 11**

On the first bill, the requestor billed code 26055 at place of service 11. The respondent denied reimbursement for this bill based upon reason codes "CAC-16" and "225".

To determine if the denial of payment was appropriate the DWC refers to the following:

- 28 TAC §134.203(a)(5) states, "Medicare payment policies' when used in this section, shall mean 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."
- 28 TAC §134.203(b)(1) states, "For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules."
- Per the Medicare Claims Processing Manual, Chapter 12-Physician/Nonphysician Practitioners, 20.3-Bundled Services/Supplies, "There are a number of services/supplies that are covered under Medicare and that have HCPCS codes, but they are services for which Medicare bundles payment into the payment for other related services."
- Per the Medicare Claims Processing Manual, Chapter 12-Physician/Nonphysician Practitioners, 20.42-Site of

Service Payment Differential, "Under the Medicare Physician Fee schedule (MPFS), some procedures have separate rates for physicians' services when provided in facility and nonfacility settings. The CMS furnishes both rates in the MPFSDB update. The rate, facility or nonfacility, that a physician service is paid under the MPFS is determined by the Place of service (POS) code that is used to identify the setting where the beneficiary received the face-to-face encounter with the physician, nonphysician practitioner (NPP) or other supplier. In general, the POS code reflects the actual place where the beneficiary receives the face-to-face service and determines whether the facility or nonfacility payment rate is paid."

- Per the Medicare Claims Processing Manual, Chapter 12-Physician/Nonphysician Practitioners, 20.4.4-Supplies, "A/B MACs (B) make a separate payment for supplies furnished in connection with a procedure only when one of the two following conditions exists: A. HCPCS code A4300 is billed in conjunction with the appropriate procedure in the Medicare Physician Fee Schedule Data Base (place of service is physician's office). However, A4550, A4300, and A4263 are no longer separately payable as of 2002. Supplies have been incorporated into the practice expense RVU for 2002. Thus, no payment may be made for these supplies for services provided on or after January 1, 2002."

The DWC finds that the requestor did not bill for the supplies or sterile trays with the appropriate CPT/HCPCS codes. Because the appropriate CPT/HCPCS codes were not used, reimbursement cannot be recommended.

#### B. Place of Service 22

The DWC finds the requestor billed code 26055 for \$110.00 with place of service 22. The requestor did not argue place of service 22 in the position statement; therefore, this bill will not be considered further.

#### C. Place of Service 24

A review of the submitted bill lists the services were performed at Lufkin Plastic Surgery and noted place of service 24. Medicare designates place of service 24 for Ambulatory Surgical Center. 28 TAC §134.402(b)(1) states, "'Ambulatory Surgical Center' means a health care facility appropriately licensed by the Texas Department of State Health Services." A review of the Texas Department of State Health Services website does not list Lufkin Plastic Surgery as a licensed Ambulatory Surgical Center; therefore, the requestor billing with POS 24 is not appropriate.

### Conclusion

For the reasons stated above, the DWC 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 DWC has determined that the requestor is entitled to \$0.00 reimbursement for the disputed services.

### Authorized Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

05/8/2020  
Date

### **YOUR RIGHT TO APPEAL**

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §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 DWC within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the DWC using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the DWC. **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.**