



**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 Plano

**Respondent Name**

Frisco ISD

**MFDR Tracking Number**

M4-20-0075-01

**Carrier's Austin Representative**

Box Number 17

**MFDR Date Received**

September 12, 2019

**Response Submitted by:**

CAS – Claims Administrative Services

**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**

"It is our position that payment issued has been correct and no additional reimbursement is due."

**SUMMARY OF FINDINGS**

Date of Service	Disputed Services	Amount in Dispute	Amount Ordered
May 2 – 13, 2019	97110, 97140	\$83.24	\$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:
  - P12 – Workers' compensation jurisdictional fee schedule adjustment
  - 356 – This outpatient allowance was based on the Medicare's methodology (Part B) plus the Texas markup
  - 650 – Allowance is reduced per the multiple procedure payment reduction for selected therapy services

- W3 – In accordance with TDI-DWC Rule 134.804, this bill has been identified as a request for reconsideration

### **Issues**

1. What is the rule(s) are applicable to reimbursement?
2. Is the insurance carrier's reduction supported?
3. Is the requestor entitled to additional reimbursement?

### **Findings**

1. The requestor is seeking additional reimbursement for physical therapy services rendered in an outpatient hospital setting in May 2019. Payment reductions were made by the carrier based upon multiple procedure rules and workers' compensation jurisdictional fee schedule.

The applicable Division Rule is found in 28 Texas Administrative Code §134.403(d) which requires Texas workers' compensation system participants to apply Medicare payment policies in effect on the date a service is provided.

The Medicare payment policy that relates to the services in dispute is found at, <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html>. Specifically, the "Status Indicator."

Review of the submitted medical bill finds 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."

28 TAC §134.403(h) requires when Medicare reimburses using other Medicare fee schedules, reimbursement is made per the applicable Division Fee Guideline in effect for that service on the date the service was provided.

The disputed services are subject to the provisions of 28 TAC §134.203 for professional medical services. These calculations are shown below.

2. The insurance carrier reduced the submitted services based on "Medicare's methodology." 28 TAC §134.203 (b) requires the application of Medicare payment polices in the reimbursement of professional medical 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 that codes 97110 and 97140 are subject to MPPR policy.

The division concludes that the MPPR policy applies to the services in dispute. The insurance carrier's reduction is supported.

3. The calculation of the fee guideline based on appropriated DWC rules is as follows.

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 three procedures were billed by the health care provider. 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.

CODE	PRACTICE EXPENSE	Medicare Policy
97110	0.4	MPPR applies
97112	<b>0.47</b>	<b>Highest rank, no MPPR</b>
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 Plano, Texas.
- The carrier code for Texas is 4412 and the locality code for Plano is 99.

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

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

28 TAC 134.203 (h) requires that in the absence of a negotiated or contracted amount that, reimbursement will be the least of the MAR or health care provider’s usual and customary charge.

Date of Service	Code	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
May 2, 2019	97110	\$23.55 <sup>1</sup>	$(59.19 \div 36.0391) \times \$23.55 = \$38.68$	\$162.50	\$38.68
May 6, 2019	97110	\$23.55 <sup>1</sup>	$(59.19 \div 36.0391) \times \$23.55 = \$38.68$	\$162.50	\$38.68
May 10, 2019	97110	\$23.55 <sup>1</sup>	$(59.19 \div 36.0391) \times \$23.55 = \$38.68$	\$162.50	\$38.68
May 13, 2019	97110	\$23.55 <sup>1</sup>	$(59.19 \div 36.0391) \times \$23.55 = \$38.68$	\$162.50	\$38.68
May 2, 2019	97140	\$21.70 <sup>1</sup>	$(59.19 \div 36.0391) \times \$21.70 = \$35.64$	\$146.25	\$35.64
May 6, 2019	97140	\$21.70 <sup>1</sup>	$(59.19 \div 36.0391) \times \$21.70 = \$35.64$	\$146.25	\$35.64
May 10, 2019	97140	\$21.70 <sup>1</sup>	$(59.19 \div 36.0391) \times \$21.70 = \$35.64$	\$146.25	\$35.64
May 13, 2019	97140	\$21.70 <sup>1</sup>	$(59.19 \div 36.0391) \times \$21.70 = \$35.64$	\$146.25	\$35.64
<sup>1</sup> MPPR reduced payment				Total Allowable Reimbursement	\$297.28

Application of the MPPR and the applicable DWC fee guideline rule result in a total reimbursement amount of \$297.28 for the services in dispute. The carrier paid \$297.28 no additional reimbursement is due.

**Conclusion**

For the reasons stated above, DWC 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**

_____	_____	September 26, 2019
Signature	Medical Fee Dispute Resolution Officer	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](mailto: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](mailto:CompConnection@tdi.texas.gov)