



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

TX Health Diag Surg Plano

Respondent Name

American Zurich Insurance Co

MFDR Tracking Number

M4-20-1354-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

January 30, 2020

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Underpaid Implant Allowance."

Amount in Dispute: \$8,713.33

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The claimant is in the Zurich Health Care Network. Accordingly, all medical fee disputes should be handled through the network itself."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
June 4-6, 2019	Inpatient Hospital Services	\$8,713.33	\$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.

Background

- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
- 28 Texas Administrative Code §134.404 sets out the acute care hospital fee guideline for inpatient services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 45 – Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement
 - 131 – Claim specific negotiated discount
 - P12 – Workers' compensation jurisdictional fee schedule adjustment

Issues

1. Is the respondent's position supported?
2. What is the applicable rule for determining reimbursement of the disputed services?
3. What is the additional recommended payment for the implantable items in dispute?
4. Is the requestor entitled to additional reimbursement?

Findings

1. The respondent states, "The claimant is in the Zurich Health Care Network." The carrier did not provide convincing evidence that the injured employee is enrolled in this network. The respondent's position will not be considered in this review.
2. This dispute relates to facility medical services provided in an inpatient acute care hospital. No documentation was found to support that the services are subject to a specific fee schedule set in a contract that complies with the requirements of Labor Code §413.011.

Reimbursement is made per 28 TAC §134.404(f), which states the MAR [maximum allowable reimbursement] shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Inpatient Prospective Payment System (IPPS) reimbursement formula and factors as published annually in the Federal Register.

This claim included a request for implants. The Medicare facility specific amount is multiplied by 108 percent.

The submitted medical bill and Medicare IPPS payment rates found at <http://www.cms.gov>, indicates the DRG code assigned to the services in dispute is 455. The services were provided at Texas Health Diagnostic Surgery, Plano. Based on the submitted DRG code, the service location, and bill-specific information, the Medicare facility specific amount is \$29,133.36. This amount multiplied by 108% results in a MAR of \$31,464.03.

Billed charges	Implant charge	Amount entered into PPS Pricer	Total DRG payment	Multiplied by 108%
\$119,168.55	\$77,219.00	\$41,949.55	\$29,133.36	\$31,464.03

3. The provider requested separate reimbursement of implantables. Per §134.404(g) implants are reimbursed at the lesser of the manufacturer's invoice amount or the net amount (exclusive of rebates and discounts) plus 10 percent or \$1,000 per billed item add-on, whichever is less, but not to exceed \$2,000 in add-on's per admission.

Review of the submitted documentation finds that the separate implantables include:

- Graft Bone Infuse Large
- Screw Titanium 6.5 X 25mm
- Graft Bone Infuse Small
- Strips Dbm 50 Mm X 10mm
- Bone Marrow
- Screw Pedicle 6.5 X 45mm
- Rod Lordotic
- Screw Set

The total net invoice amount is \$19,984.00. The total add-on amount of 10% or \$1,000 per billed item add-on, whichever is less, but not to exceed \$2,000 in add-on's per admission is \$1,998.40. The total recommended reimbursement amount for the implantable items is \$21,982.40.

4. The total allowable reimbursement for the services in dispute is \$53,446.43. The amount previously paid by the insurance carrier is \$62,983.03. No additional reimbursement can be recommended.

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 upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 reimbursement for the disputed services.

Authorized Signature

		March 6, 2020
Signature	Medical Fee Dispute Resolution Officer	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 TAC §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 with the Division. **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.