



## 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**

Medical Center of SE Texas

**Respondent Name**

Old Republic Insurance Co

**MFDR Tracking Number**

M4-20-1798-01

**Carrier's Austin Representative**

Box Number 44

**MFDR Date Received**

March 24, 2020

### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** None submitted.

**Amount in Dispute:** \$5,193.33

### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "This bill in question was incorrectly codes as an outpatient procedure. However, the length of time in the facility qualified this treatment as an inpatient procedure. Since this was deemed an inpatient procedure, the network PPO agreement was triggered. The PPO agreement allowed a reduction."

**Response Submitted by:** White Espey, PLLC

### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
December 10 – 11, 2019	Outpatient Hospital Services	\$5,193.33	\$5,193.33

### 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 acute care hospital fee guideline for outpatient services.
3. 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
  - 45 – Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement
  - 193 – Original payment decision is being maintained

- 5279 – Contract disputes need to be sent to the network for review. Please forward any disputes/inquiries regarding the PPO discount to Coventry

## **Issues**

1. Is the respondent's position supported?
2. Are the insurance carrier's reasons for reduction of payment supported?
3. What is the applicable rule for determining reimbursement for the disputed services?
4. Is the requestor entitled to additional reimbursement?

## **Findings**

1. The respondent states, "...the length of time in the facility qualified this treatment as an inpatient procedure." Review of the submitted documentation found outpatient labs were performed on December 10, 2019 and an outpatient surgery was performed on December 11, 2019. At no time was the patient admitted to the facility. The respondent's position is not supported and will not be considered in this dispute.
2. The requestor is seeking \$5,193.33 for outpatient hospital services rendered in December 2019. The insurance carrier reduced the disputed services stating – "Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement" and refers to a Coventry contract.

Although Coventry is listed as a certified network on the Division's webpage, the carrier did not provide convincing evidence that the injured employee is enrolled in this network, nor did the carrier provide documentation to support that the requestor is contracted with Coventry.

The Division concludes that the carrier failed to support its reasons for reduction of payment. Therefore, the service in dispute will be reviewed per applicable Division fee guideline.

3. 28 Texas Administrative Code §134.403(f)(1) requires that the sum of the Medicare facility specific amount and any applicable outlier payment be multiplied by 200 percent, unless a request for separate payment of implants is made. No request was made, the disputes services maximum allowable reimbursement is reviewed as follows:

- Procedure code C1727 has status indicator N included with payment for the primary services.
- Procedure code C1781 has status indicator N included with payment for the primary services.
- Procedure code 36415 has status indicator Q4, for packaged labs included with payment for the primary services.
- Procedure code 80053 has status indicator Q4, for packaged labs included with payment for the primary services.
- Procedure code 85025 has status indicator Q4, for packaged labs included with payment for the primary services.
- Procedure code 81003 has status indicator Q4, for packaged labs included with payment for the primary services.
- Procedure code 71046 has status indicator Q3 is packaged into the comprehensive rate for Code 49650.
- Procedure code 49650 has status indicator J1, for procedures paid at a comprehensive rate. All covered services on the bill are packaged with the primary "J1" procedure.

This code is assigned APC 5361. The OPPS Addendum A rate is \$4,595.85.

This is multiplied by 60% for an unadjusted labor amount of \$2,757.51, in turn multiplied by facility wage index 0.8512 for an adjusted labor amount of \$2,347.19.

(Please note: Medicare updates Wage Index factors every October 1st, effective for the Federal Fiscal Year – not the calendar year.)

The non-labor portion is 40% of the APC rate, or \$1,838.34.

The sum of the labor and non-labor portions is \$4,185.53.

The Medicare facility specific amount is \$4,185.53. This is multiplied by 200% for a MAR of \$8,371.06.

- Procedure code J3010 has status indicator N included with payment for the primary services.
  - Procedure code J2710 has status indicator N included with payment for the primary services.
  - Procedure code J2250 has status indicator N included with payment for the primary services.
  - Procedure code J2175 has status indicator N included with payment for the primary services.
  - Procedure code 93005 has status indicator Q1 and is packaged into primary procedure.
4. The total recommended reimbursement for the disputed services is \$8,371.06. The insurance carrier paid \$2,316.00. The requestor is seeking additional reimbursement of \$5,193.33. This amount is 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 \$5,193.33.

### ***ORDER***

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the division has determined the requestor is entitled to additional reimbursement for the disputed services. The division hereby ORDERS the respondent to remit to the requestor \$5,193.33 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

### **Authorized Signature**

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Signature	Medical Fee Dispute Resolution Officer	April 17, 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 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.**