



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

Baylor Scott & White Marble Falls

Respondent Name

Tx Public School WC Project

MFDR Tracking Number

M4-20-2477-01

Carrier's Austin Representative

Box Number 1

MFDR Date Received

June 3, 2020

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "In summary, [REDACTED] inpatient services were clearly authorized by IMO as indicated in the amended authorization letter."

Amount in Dispute: \$27,148.52

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "CRF contends that Baylor did not bill its services consistent with its request for preauthorization in the claim. Consequently, it is not entitled to reimbursement for the services in question."

Response Submitted by: Creative Risk Funding

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Dispute Amount	Amount Due
June 11 – 12, 2019	Inpatient hospital services	\$27,148.52	\$27,148.52

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 §134.404 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:
 - 284 – Precertification/authorization/notification/pre-treatment number may be valid does not apply to the billed services
 - 193 – Original payment decision is being maintained

Issues

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

Findings

1. The requestor is seeking reimbursement of inpatient hospital services rendered June 11 – 12, 2019. The insurance carrier denied disputed services stating the authorization number referenced is valid but doesn't apply to the billed services.

28 Texas Administrative Code §134.600 (p) states Non-emergency health care requiring preauthorization includes inpatient hospital admissions, including the principal scheduled procedure(s) and the length of stay. Review of the submitted documentation found IMO authorized "3 days for reverse total arthroplasty of Left Shoulder to be done on an inpatient basis" under authorization number 126890.

The submitted medical bill was for an inpatient hospital stay with the DRG 483 which is defined as Major joint/limb reattachment procedure of upper extremities. The definition of arthroplasty is the surgical reconstruction or replacement of a joint. Based on the above, the insurance carrier's denial is not supported. The disputed services will be reviewed per applicable fee guideline.

2. This dispute regards inpatient hospital facility services with payment subject to 28 Texas Administrative Code §134.404(f), requiring the maximum allowable reimbursement (MAR) to be the Medicare facility specific amount (including outlier payments) applying Medicare Inpatient Prospective Payment System (IPPS) formulas and factors, as published annually in the Federal Register, with modifications set forth in the rules. Medicare IPPS formulas and factors are available from the Centers for Medicare and Medicaid Services at <http://www.cms.gov>.

Separate reimbursement for implantables was not requested; accordingly, Rule §134.404(f)(1)(A) requires that, for these services, the Medicare facility specific amount, including any outlier payment, be multiplied by 143%.

Note: the "VBP adjustment" listed in the *PC Pricer* was removed in calculating the facility amount for this admission. Medicare's Value-Based Purchasing (VBP) program is an initiative to improve quality of care in the Medicare system. However, such programs conflict with Texas Labor Code sections 413.0511 and 413.0512 regarding review and monitoring of health care quality in the Texas workers' compensation system. Rule §134.404(d)(1) requires that specific Labor Code provisions and division rules take precedence over conflicting CMS provisions for administering Medicare. Consequently, VBP adjustments are not considered in determining the facility reimbursement.

3. Review of the submitted medical bill and supporting documentation finds the assigned DRG code to be 483. The service location is Marble Falls, Texas. Based on DRG code, service location, and bill-specific information, the Medicare facility specific amount is \$21,958.75. This amount multiplied by 143% results in a MAR of \$31,401.01.

The requestor is seeking \$27,148.52. 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 \$27,148.52.

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 \$27,148.52, plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this order.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

June 26, 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.

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 form’s instructions. The request must be received by the division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the division, using the contact information on the form, or to the field office handling the claim.

A party seeking review of this decision must deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed. The request must include a copy of this *Medical Fee Dispute 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.