



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)
7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645
(512) 804-4000 | F: (512) 804-4811 | (800) 252-7031 | TDI.texas.gov | @TexasTDI

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION GENERAL INFORMATION

Requestor Name

MEDICAL EVALUATORS OF TEXAS

Respondent Name

STARBUCKS CORPORATION

MFDR Tracking Number

M4-21-0030-01

Carrier's Austin Representative

Box Number 44

MFDR Date Received

September 9, 2020

Response Submitted by:

White Espey, PLLC

REQUESTOR'S POSITION SUMMARY

"This claim was billed according to the TWCC Medical Fee Guideline and as per Rule 134.202 for the CPT code of 97750-FC which as per TAC is to be charged \$60.56 for each 15-minute increment/unit. Therefore, as you will note we billed correctly and are requesting reconsideration at this time."

RESPONDENT'S POSITION SUMMARY

"Using the above formula, the MAR is \$44.33 per unit. The requestor billed for 11 units; therefore, \$44.33 X 11 = \$487.63. The respondent paid \$487.68. The provider was overpaid by five cents. No further reimbursement is due. Respondent requests that the Division find that Requestor has not established that additional reimbursement is due and order reimbursement in the amount of \$0.00. The undersigned represents Respondent in this matter."

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 21, 2020	97750-FC X 11 units	\$178.48	\$19.73

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 (DWC).

Background

1. 28 Texas Administrative Code §133.307 (TAC), effective May 31, 2012 sets out the procedures for resolving a medical fee dispute.
2. 28 TAC §134.203 sets out the fee guidelines for reimbursement of professional medical services provided in the Texas workers' compensation system.
3. 28 TAC §134.210 sets out the medical fee guideline for workers' compensation specific services in the Texas workers' compensation system.
4. 28 TAC §134.225 sets the reimbursement guidelines for FCEs.
5. 28 TAC §134.235 sets the reimbursement guideline for return to work/evaluation of medical care.

6. The insurance carrier reduced payment for the disputed services with the following claim adjustment code:
- 281 - FUNCTIONAL CAPACITY EVALUATIONS ARE ALLOWED A MAXIMUM OF FOUR HOURS FOR AN INITIAL OR THREE TIMES FOR EACH INJURED WORKER.
 - 890 - TREATMENT HAS EXCEEDED RECOMMENDED GUIDELINES
 - 217 - BASED ON PAYER REASONABLE AND CUSTOMARY FEES. NO MAXIMUM ALLOWABLE DEFINED BY LEGISLATED FEE ARRANGEMENT
 - P12 – WORKERS COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT

Issues

1. What are the rules that apply to reimbursement of CPT Code 97750-FC?
2. Is the requestor entitled to an additional payment of \$178.48?

Findings

1. The requestor seeks medical fee dispute resolution for reimbursement of CPT code 97750-FC (X11) rendered on February 21, 2020. The insurance carrier paid the requestor the amount of \$487.68 and the requestor seeks an additional payment of \$178.48.

The insurance carrier states in pertinent part, “Using the above formula, the MAR is \$44.33 per unit. The requestor billed for 11 units; therefore, $\$44.33 \times 11 = \487.63 . The respondent paid \$487.68. The provider was overpaid by five cents. No further reimbursement is due.”

CPT code 97750- is described as “Physical performance test or measurement (eg, musculoskeletal, functional capacity), with written report, each 15 minutes”

The requestor appended modifier “FC” to the CPT 97750 to identify that a functional capacity evaluation was performed.

The following statute is applicable to the disputed services:

- 28 TAC §134.210(a) states,
Specific provisions contained in the Labor Code or division rules, including this chapter, shall take precedence over any conflicting provision adopted or utilized by the Centers for Medicare and Medicaid Services (CMS) in administering the Medicare program. Independent review organization decisions regarding medical necessity made in accordance with Labor Code §413.031 and §133.308 of this title, which are made on a case-by-case basis, take precedence, in that case only, over any division rules and Medicare payment policies.
- 28 TAC §134.210(b) states,
Payment policies relating to coding, billing, and reporting for workers' compensation specific codes, services, and programs are as follows:
(2) Modifying circumstance shall be identified by use of the appropriate modifier following the appropriate Level I (CPT codes) and Level II HCPCS codes. Where HCPCS modifiers apply, insurance carriers shall treat them in accordance with Medicare and Texas Medicaid rules. Additionally, division-specific modifiers are identified in subsection (e) of this section. When two or more modifiers are applicable to a single HCPCS code, indicate each modifier on the bill.
- 28 TAC §134.210(e) states,
The following division modifiers shall be used by health care providers billing professional medical services for correct coding, reporting, billing, and reimbursement of the procedure codes. (3) FC, functional capacity--This modifier shall be added to CPT code 97750 when a functional capacity evaluation is performed.

- 28 TAC §134.225 states,

The following applies to functional capacity evaluations (FCEs). A maximum of three FCEs for each compensable injury shall be billed and reimbursed. FCEs ordered by the division shall not count toward the three FCEs allowed for each compensable injury. FCEs shall be billed using CPT code 97750 with modifier "FC." FCEs shall be reimbursed in accordance with §134.203(c)(1) of this title. Reimbursement shall be for up to a maximum of four hours for the initial test or for a division ordered test; a maximum of two hours for an interim test; and a maximum of three hours for the discharge test, unless it is the initial test. Documentation is required.

- 28 TAC §134.203(c)(1) states,

To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications.

(1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is

\$52.83. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32.

2. 28 TAC §134.203(c)(1) states "To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications. (1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is \$52.83."

28 Texas Administrative Code §134.203(c)(2) states "The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors and shall be effective January 1st of the new calendar year. The following hypothetical example illustrates this annual adjustment activity if the Division had been using this MEI annual percentage adjustment: The 2006 Division conversion factor of \$50.83 (with the exception of surgery) would have been multiplied by the 2007 MEI annual percentage increase of 2.1 percent, resulting in the \$51.90 (with the exception of surgery) Division conversion factor in 2007."

Medicare Claims Processing Manual Chapter 5, 10.3.7-effective June 6, 2016, titled *Multiple Procedure Payment Reductions for Outpatient Rehabilitation Services*, states in pertinent part:

Full payment is made for the unit or procedure with the highest PE payment... For subsequent units and procedures with dates of service on or after April 1, 2013, furnished to the same patient on the same day, full payment is made for work and malpractice and 50 percent payment is made for the PE for services submitted on either professional or institutional claims. To determine which services will receive the MPPR, contractors shall rank services according to the applicable PE relative value units (RVU) and price the service with the highest PE RVU at 100% and apply the appropriate MPPR to the remaining services. When the highest PE RVU applies to more than one of the identified services, contractors shall additionally sort and rank these services according to highest total fee schedule amount, and price the service with the highest total fee schedule amount at 100% and apply the appropriate MPPR to the remaining services.

On the disputed dates of service, the requestor billed CPT code 97550-FC (X11). The multiple procedure payment reduction discounting rule applies to the disputed service.

To determine the MAR the following formula is used: (DWC Conversion Factor/Medicare Conversion Factor) X Medicare Payment = Maximum Allowable Reimbursement (MAR).

- The DWC conversion factor for 2020 is 60.32.
- The Medicare conversion factor for 2020 is 36.0896.
- Review of Box 32 on the CMS-1500 finds that the services were rendered in zip code 77018, located in Houston, Texas.
- The Medicare participating amount for CPT code 97750 is \$36.47 and MMPR is \$26.71.
- Using the above formula, the MAR is \$60.96 for the first unit (X 1 unit), and \$44.64 for each additional unit (X10 units). The MAR is \$507.36. The respondent paid \$487.63. The requestor is due the difference between MAR and amount paid of \$19.73.

Conclusion

For the reasons stated above, the DWC finds that the requestor has established that reimbursement is due. As a result, the amount ordered is \$19.73.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the DWC has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The DWC hereby ORDERS the respondent to remit to the requestor the amount of \$19.73 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

October 6, 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, 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 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 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.