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
UT Health Jacksonville

Respondent Name
West American Insurance Co

MFDR Tracking Number
M4-21-0666-01

Carrier's Austin Representative
Box Number 01

MFDR Date Received
December 16, 2020

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "This bill has been underpaid. …The balance due is $308.54."

Amount in Dispute: $308.54

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "…the denial for 97116 stands as Pre-Authorization was not requested for this code. …The bill was reviewed and additional payment has been issued for the approved CPT codes – copies of EOBs are submitted for your review."

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 2 -3, 2020	Outpatient Hospital Services	$308.54	$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

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 reimbursement guidelines for outpatient hospital services.
3. 28 Texas Administrative Code §134.203 sets out the reimbursement guidelines for professional medical services.
4. 28 Texas Administrative Code §134.600 sets out the requirements of prior authorization.
5. The insurance carrier reduced or denied the payment for the disputed services with the following claim adjustment codes:
    - 4915 – The charge for the services represented by the revenue code are included/bundled into the total facility payment and do not warrant a separate payment of the payment status indicator determined the service is packaged or excluded from payment

- 170 – Reimbursement is based on the physician fee schedule when a professional service was performed in the facility setting
- 802 – Charge for this procedure exceeds the OPPS schedule allowance

Issues

1. Is the requestor's denial supported?
2. What is the applicable rule for determining reimbursement for the disputed physical therapy services?
3. What is the applicable rules for determining reimbursement for the outpatient service in dispute?
4. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor is seeking additional reimbursement in the amount $308.54 for outpatient hospital services rendered between June 2-3, 2020. The insurance carrier denied procedure code 97116 based on lack of prior authorization. Review of the submitted documentation found the prior authorization received by the requestor did not include the disputed code. 28 TAC 134.600 (p) (5) indicates physical therapy services does require prior authorization.

   The insurance carrier's denial for this code is supported as insufficient evidence was found to indicate prior authorization was obtained. The fee guideline allowable for the remaining disputed charges is discussed below.

2. 28 TAC §134.403 (d) requires Texas workers' compensation system participants when coding, billing, reporting and reimbursement to apply Medicare payment policies in effect on the date of service. Per section (h) of this same rule, when Medicare reimburses using other Medicare fee schedules, reimbursement is made using the applicable Division Fee Guideline in effect for that service on the date was provided.

   The applicable DWC fee guideline for physical therapy is 28 TAC §134.203 (b) (1) which requires the application of Medicare payment policies applicable to professional services. The Medicare multiple procedure payment reduction (MPPR) does apply.

   Review of the submitted medical bill provided indicates that three procedures were billed by the health care provider. To determine the MPPR allowable, the prior authorized services provided are ranked by their PE expense shown below.

Code	Practice Expense	Allowed Amount	Medicare Policy
97110	0.4	23.57	MPPR applies
97530	0.66	38.93 1st unit 27.66 2nd unit	MPPR does not apply MPPR does apply

The *MPPR Rate File* that contains the payments for 2020 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 Jacksonville, Texas.
- The carrier code for Texas is 4412 and the locality code for Jacksonville is 99.

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

(DWC Conversion Factor ÷ Medicare Conversion Factor) x Medicare Payment = MAR

Applicable 28 TAC 134.203(h) states that the total reimbursement is the lesser of the maximum allowable reimbursement (MAR) and the billed amount.

Date of Service	Code	Units	Medicare Payment	DWC Conversion Factor divided by Medicare Conversion Factor or 60.32/36.0896	Billed Amount	Lesser of MAR and billed amount
June 3, 2020	97110	2	$23.57	$39.39 x 2 = $78.79	$579.50	$78.79
June 3, 2020	97530	2	38.93 27.66	$65.07 + 46.23 = $111.30	$462.50	$111.30

The total allowed amount is $190.09.

3. The Medicare payment policy applicable to the remaining services in dispute is found at www.cms.gov, Claims processing Manual, Chapter 4, Section 10.1.1. Specifically, Payment Status Indicators and Ambulatory Payment Category (APC).

   28 TAC 134.403 (f) states in pertinent part the reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register.* The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 143 percent when a separate request for implant reimbursement is not made and 130 percent when separate reimbursement for implants is made.

   The Medicare facility specific amount is calculated when the APC payment rate is multiplied by 60% to determine the labor portion. This amount is multiplied by the facility wage index for the date of service. The non-labor amount is determined when the APC payment rate is multiplied by 40%. The sum of the labor portion multiplied by the facility wage index and the non-labor portion determines the Medicare specific amount. Review of the submitted medical bill found implants are not applicable. The applicable fee guideline referenced above is shown below.

   - Procedure code 99202 has a status indicator of B and may not be reported on an outpatient hospital bill. Payment is not recommended.
   - Procedure code 96374 has status indicator S and is assigned APC 5693.

     The OPPS Addendum A rate is $183.74. This is multiplied by 60% for an unadjusted labor amount of $110.24, in turn multiplied by facility wage index 0.8275 for an adjusted labor amount of $91.22.

     The non-labor portion is 40% of the APC rate, or $73.50.

     The sum of the labor and non-labor portions is $164.72.

     The Medicare facility specific amount is multiplied by 200% for a MAR of $329.44.
   - Procedure code 36415 has status indicator Q4 reimbursement is included with payment for the primary services.
   - Procedure code 80053 has status indicator Q4 reimbursement is included with payment for the primary services.
   - Procedure code 85025 has status indicator Q4 reimbursement is included with payment for the primary services.
   - Procedure code G0378, billed June 2, 2020, has status indicator N, for packaged codes integral to the total service package with no separate payment; reimbursement is included with payment for the primary services.

- Procedure code G0378, billed June 3, 2020, has status indicator N, for packaged codes integral to the total service package with no separate payment; reimbursement is included with payment for the primary services.

4. The total recommended reimbursement for the disputed services is $519.53 ($190.09 + $329.44). The insurance carrier paid $556.41. No additional payment is recommended.

Conclusion

In resolving disputes over reimbursement for medically necessary health care to treat a compensable injury, the role of DWC is to adjudicate payment following Texas laws and DWC rules. The findings in this decision are based on the evidence available at the time of review. Even though not all the evidence was discussed, it was considered.

For the reasons above the requestor has not established payment 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

______________________	______________________	March 9, 2021
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 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.