



# 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**

Doctors Hospital at Renaissance

**Respondent Name**

La Joya ISD

**MFDR Tracking Number**

M4-21-0834-01

**Carrier's Austin Representative**

Box Number 29

**MFDR Date Received**

January 25, 2021

#### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "According to TWCC guidelines, Rule §134.403 states that the reimbursement calculation used for establishing the MAR shall be by applying the Medicare facility specific amount."

**Amount in Dispute:** \$11,289.15

#### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "The allowance is incorrect. The correct amount should have been \$7045.39 for the medical portion. CMS OPPS payment for code 25652 is \$5419.527 x 130% = \$7045.39.

Payment for implants from Foresight is \$2502.89 for a total of \$9548.28. Additional payment of \$1676.09 for the medical portion is warranted. Allowance for CPT code 25652 is due to device intensive procedure and paid at an adjusted rate."

**Response Submitted by:** Dean G Pappas

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
September 24 – 29, 2020	Outpatient Hospital Services	\$11,289.15	\$3,793.67

#### 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 §134.403 sets out the reimbursement guidelines for outpatient hospital services.
- The insurance carrier reduced or denied the payment for the disputed services with the following claim

adjustment codes:

- P12 – The charge for the procedure exceeds the amount indicated in the fee schedule
- W3 – Additional payment made on appeal/reconsideration
- 97 – The service is considered incidental, packaged, or bundled into another service or APC payment

## Issues

1. What is the applicable rule for determining reimbursement for the disputed services?
2. Is the requestor entitled to additional reimbursement?

## Findings

1. The requestor is seeking additional reimbursement in the amount \$11,289.25 for outpatient hospital services rendered in September 2020. The insurance carrier reduced the disputed services based on fee schedule and bundling.

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.

The Medicare payment policy applicable to the services in dispute is found at [www.cms.gov](http://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 insurance carrier paid separately for implants. The requirements of 28 TAC §134.403 (g) (1) requires that a billing certification and implant invoices be submitted. None were found within the submitted documentation. The fee calculation will be based on the Medicare facility rate multiplied by 143%.

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 and the applicable fee guidelines referenced above is shown below.

- Procedure code C1713 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 25609 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 5114. The OPPS Addendum A rate is \$5,981.95. This is multiplied by 60% for an unadjusted labor amount of \$3,589.17, in turn multiplied by facility wage index 0.8433 for an adjusted labor amount of \$3,026.75.

The non-labor portion is 40% of the APC rate, or \$2,392.78.

The sum of the labor and non-labor portions is \$5,419.53.

The Medicare facility specific amount is \$5,419.53.

This is multiplied by 200% for a MAR of \$10,839.06.

- Procedure code 96374 is bundled into the primary J1 procedure code shown above.
2. The total recommended reimbursement for the disputed services is \$10,839.06. The insurance carrier paid \$7,045.39. The amount due is \$3,793.67. This amount 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/has not established payment is due. As a result, the amount ordered is \$3,793.67.

**ORDER**

In accordance with Texas Labor Code Section 413.031 and 413.019 (if applicable) and based on the submitted information, DWC finds the requestor is entitled to additional reimbursement. DWC hereby ORDERS the respondent to remit to the requestor \$3,793.67, plus accrued interest per Rule §134.130, due within 30 days of receipt of this order.

**Authorized Signature**

_____	_____	_____
Signature	Medical Fee Dispute Resolution Officer	Date

May 6, 2021

**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.**