

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Hospital System

Respondent Name

Safety National Casualty Corp

MFDR Tracking Number

M4-21-1943-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

July 1, 2021

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
July 17 – 18, 2020	Drugs	\$449.75	\$0.00
July 17 – 18, 2020	IV Therapy	\$1,454.25	\$0.00
July 17 – 18, 2020	Med Supplies	\$3,360.50	\$0.00
July 17 – 18, 2020	Sterile Supply	\$2,539.25	\$0.00
July 17 – 18, 2020	Implant	\$6,562.00	\$0.00
July 14, 2020	Covid Test	\$250.00	\$0.00
July 17 – 18, 2020	Lab Services	\$571.00	\$0.00
July 17 – 18, 2020	X-Ray	\$1,416.50	\$0.00
July 17 – 18, 2020	OR Services	\$36,424.25	\$11,978.98
July 17 – 18, 2020	Anesthesia	\$6,144.00	\$0.00
July 17 – 18, 2020	Respiratory	\$974.75	\$0.00
July 17 – 18, 2020	Physical Therapy	\$793.50	\$0.00
July 17 – 18, 2020	Recovery Room	\$10,459.25	\$0.00
July 17 – 18, 2020	Treatment Room	\$414.50	\$0.00
July 17 – 18, 2020	Observation Room	\$4,672.50	\$0.00
July 17 – 18, 2020	Drugs	\$2,457.50	\$0.00
Total		\$78,943.75	\$11,978.98

Requestor's Position

As of right now, the bill has been denied as a duplicate and the carrier and the adjuster have refused to reprocess the bill for payment or provide a response as to what is denying against.

Amount in Dispute: \$78,943.75

Respondent's Position

The Austin carrier representative for Safety National Casualty Corp is Flahive Ogden & Latson. The representative was notified of this medical fee dispute on July 6, 2021.

Per 28 Texas Administrative Code §133.307(d)(1), if the DWC does not receive the response within 14 calendar days of the dispute notification, then the DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

Findings and Decision

Authority

This medical fee dispute is decided according to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Statutes and Rules

1. 28 TAC §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.403 sets out the fee guidelines for outpatient hospital services.

Denial Reasons

- 18 – Exact duplicate claim/service

Issues

1. Is the insurance carriers' denial supported?
2. What rule applies for determining reimbursement for the disputed services?
3. Is the requester entitled to additional reimbursement?

Findings

1. The requestor is seeking reimbursement of \$78,943.75 for outpatient hospital services provided in July of 2020. The insurance carrier denied the medical bill as an exact duplicate.

Insufficient evidence was found to support the insurance carrier previously adjudicated these charges. The services in dispute will be reviewed per applicable fee guideline.

2. DWC Rule 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, 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*. A separate request for implants was not made, the Medicare facility specific amount will be multiplied by 200%

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 96374 is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code 96372, billed July 18, 2020, is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code 96376, billed July 18, 2020, is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code C1713 has status indicator N reimbursement is included with payment for the primary services.
- Procedure code 80048, billed July 18, 2020, has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code 85025, billed July 18, 2020, has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code U0003, billed 07/14/20, is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code 71045 is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.

- Procedure code 29823 has a ranking of 1,612 which is lower than the primary Procedure Code 29827. The Medicare Claims Processing Manual, Chapter 4, Section 10.2 states in pertinent part, *"When multiple J1 services are reported on the same claim, the single payment is based on the rate associated with the highest ranking J1 service."* Separate payment is not recommended.
- Procedure code 29827 has status indicator J1, and a ranking of 378. 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 1.0021 for an adjusted labor amount of \$3,596.71.

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

The sum of the labor and non-labor portions is \$5,989.49.

The Medicare facility specific amount is \$5,989.49 multiplied by 200% for a MAR of \$11,978.98.

- Procedure code 29828 has a ranking of 497 lower than that of 29827. Separate payment is not recommended.
- Procedure code 94640 is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code 94640 is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code 94640, billed July 18, 2020, is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code 94640, billed July 18, 2020, is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code 97116 is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code 97530 is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code 97161, billed July 18, 2020, is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
- Procedure code C9290 has status indicator N, for packaged codes integral to the total service package with no separate payment.
- Procedure code J0171 has status indicator N, for packaged codes integral to the total service package with no separate payment.
- Procedure code J0330 has status indicator N, for packaged codes integral to the total

service package with no separate payment.

- Procedure code J0360 has status indicator N, for packaged codes integral to the total service package with no separate payment.
 - Procedure code J0690 has status indicator N, for packaged codes integral to the total service package with no separate payment.
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 - Procedure code J1100 has status indicator N, for packaged codes integral to the total service package with no separate payment.
 - Procedure code J2001 has status indicator N, for packaged codes integral to the total service package with no separate payment.
 - Procedure code J2250 has status indicator N, for packaged codes integral to the total service package with no separate payment.
 - Procedure code J2250 has status indicator N, for packaged codes integral to the total service package with no separate payment.
 - Procedure code J2405 has status indicator N, for packaged codes integral to the total service package with no separate payment.
 - Procedure code J2405 has status indicator N, for packaged codes integral to the total service package with no separate payment.
 - Procedure code J2704 has status indicator N, for packaged codes integral to the total service package with no separate payment.
 - Procedure code J0690, billed July 18, 2020, has status indicator N, for packaged codes integral to the total service package with no separate payment.
 - Procedure code J1650, billed July 18, 2020, has status indicator N, for packaged codes integral to the total service package with no separate payment.
 - Procedure code 64415 is included with payment for the primary Procedure Code 29827. Separate payment is not recommended.
 - Procedure code G0378 has status indicator N, for packaged codes integral to the total service package with no separate payment.
3. The total recommended reimbursement for the disputed services is \$11,978.98. The insurance carrier paid \$0.00. The amount due is \$11,978.98. This amount is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requestor and the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has established that additional reimbursement \$11,978.98 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed services. It is ordered that Safety National Casualty Corp must remit to Memorial Hospital System \$11,978.98 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.}

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

September 24, 2021

Date

Your Right to Appeal

Either party to this medical fee dispute has a right to seek review of this decision under 28 TAC §133.307, which applies to disputes filed on or after **June 1, 2012**.

A party seeking review must submit DWC Form-045M, *Request to Schedule, Reschedule, or Cancel a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (BRC-MFD)* and follow the instructions on the form. You can find the form at www.tdi.texas.gov/forms/form20numeric.html. DWC must receive the request within **20 days** of when you receive this decision. You may fax, mail, or personally deliver your request to DWC using the contact information on the form or the field office handling the claim. If you have questions about DWC Form-045M, please call CompConnection at 1-800-252-7031, option 3 or email CompConnection@tdi.texas.gov.

The party seeking review of the MFDR decision must deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with DWC. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** with any other required information listed in 28 TAC §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 1-800-252-7031, opción 3 o correo electrónico CompConnection@tdi.texas.gov.