TDI Division of Workers' Compensation
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Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Ector County Hospital District

Respondent Name
TASB Risk Mgmt Fund

MFDR Tracking Number
M4-21-2230-01

Carrier's Austin Representative
Box Number 47

DWC Date Received
August 3, 2021

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 12, 2021	99248	$4.14	$0.00
April 12, 2021	96375	$148.43	$0.00
April 12, 2021	96365	$377.57	$0.00
April 12, 2021	J0875	$1,272.76	$0.00
April 12, 2021	93971	$1.24	$0.00
	Total	$1,804.14	$0.00

Requestor's Position

The requestor did not submit a position statement but rather submitted a copy of their reconsideration that states, "Per EOB expected reimbursement for CPT 96365 and 96375 was not paid stating being included in the emergency room charge. Per the NCCI edits those codes are not bundled with any other service on the bill."

Amount in Dispute: $1,804.14

Respondent's Position

The Fee Schedule is allowing all except J0875 at their amount disputed. The provider billed code R00636/0J0875-jg is a REDUCTION 22.5 of the MAR $9,312 thus the allowance for that line is accurately allowed at $7,216.80. When reconsidering and update the Medicare number to the bill in process additional $6.30 recommended for R00450/99284-25 allowance is at $674.88 (allowing additional $4.14) and R000921/093971-LT allowance is $202.18 (allowing additional $1.24). …Upholding the denial on lines 19 and 20… IV injection and IV hydration charges should be denied on Emergency Room bills…

Response Submitted by: TASB Risk Management

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 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.

2. 28 TAC §134.403 sets out the reimbursement guidelines for outpatient hospital services.

Denial Reasons

The insurance carrier reduced or denied the payment for the disputed services with the following claim adjustment codes:

- P12 – Workers' compensation jurisdictional fee schedule adjustment
- 236 – This procedure or procedure/modifier combination is not compatible with another procedure or procedure/modifier combination provided on the same day according to NCCI or Workers' Compensation State Regulations/Fee Schedule requirements
- 370 – This Hospital Outpatient allowance was calculated according to the APC rate plus a markup
- 553 – The code has been reduced by 22.5 percent per the Medicare 340B acquired drug guideline
- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated
- 616 – This code has a status Q APC indicator and is packaged into other APC codes that have been identified by CMS

Issues

1. What rule applies for determining reimbursement for the disputed services?

2. Is the requester entitled to additional reimbursement?

Findings

1. The requestor is seeking additional reimbursement in the amount $1,804.14 for outpatient hospital services rendered on April 12, 2021. The insurance carrier reduced services based on Medicare payment policy and fee schedule. Other services were denied based on NCCI edits.

   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).

   DWC Rule 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*. When separate payment for implants is not requested or not applicable the Medicare facility specific amount is multiplied by 200 per cent.

   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 99284 does not meet the comprehensive observation requirement for J2 on the submitted medical bill.
     This code is assigned APC 5024. The OPPS Addendum A rate is $363.74. This is multiplied by 60% for an unadjusted labor amount of $218.24, in turn multiplied by facility wage index 0.9157 for an adjusted labor amount of $199.84.
     The non-labor portion is 40% of the APC rate, or $145.50.
     The sum of the labor and non-labor portions is $345.34.
     The Medicare facility specific amount is $345.34 multiplied by 200% for a MAR of $690.68.
   - Procedure code 96375. The insurance carrier denied based on NCCI edits however, review of the NCCI edits did not find an edit between this code and any other code submitted on the medical bill. The insurance carrier's denial is not supported.
     This code is assigned APC 5691. The OPPS Addendum A rate is $40.00. This is multiplied by 60% for an unadjusted labor amount of $24.00, in turn multiplied by facility wage

index 0.9157 for an adjusted labor amount of $21.98.
The non-labor portion is 40% of the APC rate, or $16.00.
The sum of the labor and non-labor portions is $37.98 multiplied by 2 units is $75.96.
The Medicare facility specific amount is $75.96 multiplied by 200% for a MAR of $151.92.

- Per Medicare NCCI policy, procedure code 96365 has an edit with Code 99284. Separate payment is not recommended.
- Procedure code J0875 – JG. Use of this modifier indicates drug acquired with 340B drug pricing program discount of 22.5 percent. The OPPS Addendum A rate is $15.52 reduced by 22.5 percent for a reduced rate of $12.03.
  This code is assigned APC 1823. The OPPS Addendum A rate is $12.03. This is multiplied by 60% for an unadjusted labor amount of $7.22, in turn multiplied by facility wage index 0.9157 for an adjusted labor amount of $6.61.
  The non-labor portion is 40% of the APC rate, or $4.81.
  The sum of the labor and non-labor portions is $11.42 multiplied by 300 units is $3,426.00.
  The Medicare facility specific amount is $3,426.00 multiplied by 200% for a MAR of $6,852.00.
- Procedure code 93971 is assigned APC 5522. The OPPS Addendum A rate is $108.97. This is multiplied by 60% for an unadjusted labor amount of $65.38, in turn multiplied by facility wage index 0.9157 for an adjusted labor amount of $59.87.
  The non-labor portion is 40% of the APC rate, or $43.59.
  The sum of the labor and non-labor portions is $103.46.
  The Medicare facility specific amount is $103.46 multiplied by 200% for a MAR of $206.92.
- Procedure code 71045 has status indicator Q3, for conditionally packaged codes paid as a composite if OPPS criteria are met. As packaging criteria were not met, this line is separate. This code is assigned APC 5521. The OPPS Addendum A rate is $80.90. This is multiplied by 60% for an unadjusted labor amount of $48.54, in turn multiplied by facility wage index 0.9157 for an adjusted labor amount of $44.45.
  The non-labor portion is 40% of the APC rate, or $32.36.
  The sum of the labor and non-labor portions is $76.81.
  The Medicare facility specific amount is $76.81 multiplied by 200% for a MAR of $153.62.

2. The total recommended reimbursement for the disputed services is $8,055.14. The insurance carrier paid $8,769.96. Additional payment is not 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 not established that additional reimbursement is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is not entitled to additional reimbursement for the disputed services.

Authorized Signature

		September 8, 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 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 electronico CompConnection@tdi.texas.gov.