

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Grapevine Surgicare

Respondent Name

Texas Mutual Insurance Co

MFDR Tracking Number

M4-21-2254-01

Carrier's Austin Representative

Box Number 54

DWC Date Received

August 10, 2021

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
March 2, 2021	Ambulatory Surgical Care Services, (ASC), CPT Code 28730*	\$7,688.54	\$631.78
	ASC CPT Code 20680	\$348.00	
	ASC HCPCS Code C1713	\$9,874.42	
Total		\$17,910.96	\$631.78

*Typographical error on DWC-60 noted 29730 instead of 28730

Requestor's Position

"At this time we are requesting that this claim paid in accordance with the 2021 Texas Workers Compensation Fee Schedule and Guidelines for Ambulatory Surgical Centers."

Amount in Dispute: \$17,910.96

Respondent's Position

"At the time of audit, the provider did not include the implant certification per Rule 134.402(g)(B) consistent with the date of service treatment was rendered...audit staff paid the implants incorrectly ...An overpayment was identified for cpt code 20680 of \$401.92 which was deducted from the total allowable payment, making the payment \$11,527.58."

Response Submitted by: Texas Mutual Insurance Co.

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 §134.402, sets out the fee guidelines for ASC services.

Denial Reasons

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

- 763-Payment was allowed per the device intensive methodology. Line 2=Overpayment on 1st audit of \$401.92, deducted from implant total. Implants per invoice less overpayment of line 2= \$11,527.58.
- 892-Implants were allowed per Medicare device portion as no signed certification or cost verification was submitted.
- CAC-P12-Workers' compensation jurisdictional fee schedule adjustment.
- 790-This charge was reimbursed in accordance to the Texas medical fee guideline.
- CAC-193-Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- CAC-W3, 350-In accordance with TDI-DWC rule 134.804, this bill has been identified as a request for reconsideration or appeal.
- CAC-131-Claim specific negotiated discount.
- CAC-59-Processed based on multiple or concurrent procedure rules. (For example multiple surgery or diagnostic imaging, concurrent anesthesia).
- DC3-Additional reimbursement allowed after reconsideration.
- DC4-No additional reimbursement allowed after reconsideration.
- D25-Approved non-network provider for Workwell. TX Network claimant per rule 1305.153(C).
- 615-Payment for this service has been reduced according to Medicare multiple surgery guidelines.
- 763-Paid per ASC FG at 235%; implants not applicable or separate reimbursement (w/signed cert) not requested: Rule 134.402(G).
- 897-Separate reimbursement for implants made in accordance with DWC rule chapter 134; subchapter (E) health facility fees.

Issues

1. Is Grapevine Surgicare entitled to additional reimbursement for ASC services rendered on March 2, 2021?

Findings

1. The requestor is seeking medical fee dispute resolution in the amount of \$17,910.96 for ASC services rendered on March 2, 2021.

The respondent contends that additional reimbursement is not due because payment of \$18,628.28 was made per the fee guideline.

The fee guidelines for disputed services is found in 28 TAC §134.402.

A. Per Addendum AA, CPT codes 28730 is a device intensive procedure.

28 TAC §134.402(f)(2)(B)(i)(ii) states,

The reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the *Federal Register*. Reimbursement shall be based on the fully implemented payment amount as in ADDENDUM AA, ASC COVERED SURGICAL PROCEDURES FOR CY 2008, published in the November 27, 2007 publication of the *Federal Register*, or its successor. The following minimal modifications apply: (2) Reimbursement for device intensive procedures shall be: (B) If an ASC facility or surgical implant provider requests separate reimbursement for an implantable, reimbursement for the device intensive procedure shall be the sum of:

(i) the lesser of the manufacturer's invoice amount or the net amount (exclusive of rebates and discounts) plus 10 percent or \$1,000 per billed item add-on, whichever is less, but not to exceed \$2,000 in add-on's per admission; and

(ii) the ASC service portion multiplied by 235 percent.

The following formula was used to calculate the MAR:

- Step 1 calculating the device portion of the procedure:

The national reimbursement is found in the Addendum B for National Hospital Outpatient Prospective Payment System (OPPS) code 28730 for CY 2021 = \$12,314.76.

The device dependent APC offset percentage for National Hospital OPPS found in Addendum P for code 28730 for CY 2021 is 52.25%

Multiply these two = \$6,434.46.

- Step 2 calculating the service portion of the procedure:

Per Addendum AA, the Medicare ASC reimbursement rate for code 28730 for CY 2021 is \$9,017.04.

This number is divided by 2 = \$4,508.52.

This number multiplied by the City Wage Index for Grapevine, Texas of 0.9697 = \$4,371.91.

The sum of these two is the geographically adjusted Medicare ASC reimbursement = \$8,880.43.

The service portion is found by taking the geographically adjusted rate minus the device portion = \$2,445.97.

Multiply the service portion by the DWC payment adjustment of 235% = \$5,748.03

The MAR is \$5,748.03.

B. Per Addendum AA, CPT code 20680 is a non-device intensive procedure.

28 TAC §134.402(f)(1)(B) states,

The reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the Federal Register. Reimbursement shall be based on the fully implemented payment amount as in ADDENDUM AA, ASC COVERED SURGICAL PROCEDURES FOR CY 2008, published in the November 27, 2007 publication of the Federal Register, or its successor. The following minimal modifications apply: (1) Reimbursement for non-device intensive procedures shall be: (B) if an ASC facility or surgical implant provider requests separate reimbursement for an implantable, reimbursement for the non-device intensive procedure shall be the sum of: (i) the lesser of the manufacturer's invoice amount or the net amount (exclusive of rebates and discounts) plus 10 percent or \$1,000 per billed item add-on, whichever is less, but not to exceed \$2,000 in add-on's per admission; and (ii) the Medicare ASC facility reimbursement amount multiplied by 153 percent.

The following formula was used to calculate the MAR:

The Medicare ASC reimbursement for code 20680 CY 2021 is \$995.36.

The Medicare ASC reimbursement is divided by 2 = \$497.68.

This number multiplied by the City Wage Index for Grapevine, Texas of 0.9697 = \$482.60.

Add these two together = \$980.28.

To determine the MAR, multiply the geographically adjusted Medicare ASC reimbursement by the DWC payment adjustment factor of 153% = \$1,499.83. This code is not subject to multiple procedure rule discounting.

The MAR for CPT code 20680 is \$1,499.83.

C. HCPCS C1713

28 TAC 134.402§(b)(5) states, Definitions for words and terms, when used in this section, shall have the following meanings, unless clearly indicated otherwise. (5) "Implantable" means an object or device that is surgically:

- (A) implanted,
- (B) embedded,
- (C) inserted,

- (D) or otherwise applied, and
- (E) related equipment necessary to operate, program, and recharge the implantable.

The DWC reviewed the requestor’s submitted invoice and finds the following item numbers do not meet the definition of implant per 28 TAC 134.402§(b)(5): 118-02030, 118-02034, 118-02076, and 118-02111.

Implant	No. of Units	Cost per Unit	Total Cost of Implant	Total Cost + 10%
118-70625	2	\$2,655.00	\$5,310.00	\$5,841.00
118-70630	1	\$2,655.00	\$2,655.00	\$2,920.50
118-43026	2	\$960.00	\$1,920.00	\$2,112.00
101-00006	3	\$19.00	\$57.00	\$62.70
118-50032	1	\$960.00	\$960.00	\$1,056.00
TOTAL				\$11,992.20

The DWC finds the MAR for the ASC services rendered on March 2, 2021 is \$19,240.06. The respondent paid \$18,608.28. The DWC finds the requestor is due additional reimbursement of \$631.78.

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 \$631.78 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement for the disputed services. It is ordered that Texas Mutual Insurance Co. must remit to Grapevine Surgicare \$631.78 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	09/13/2021 _____ Date
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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, **option 3 or email** CompConnection@tdi.texas.gov.