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

General Information

Requestor Name
USMD Hospital Arlington

Respondent Name
Service Lloyds Insurance Co

MFDR Tracking Number
M4-22-0181-01

Carrier's Austin Representative
Box Number 01

DWC Date Received
September 28, 2021

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
July 16-19, 2021	20680	$1,617.09	$1,617.09
	Total	$1,617.09	$1,617.09

Requestor's Position

...the original bill specifically declared we were not requesting separate reimbursement for implants, but the carrier has denied twice stating they need implant invoices to further adjudicate the bill.

Amount in Dispute: $1,617.09

Respondent's Position

The previous review is being maintained (Payment of $3,003.19) and no additional allowance is recommended as the Payment Adjustor Factor was applied in accordance with the DWC guidelines.

Response Submitted by: Mitchell International Inc

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

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

- 219 – Based on extent of injury
- 252 – An attachment/other documentation is required to adjudicate this claim/service
- 253 – In order to review this charge please submit a copy of the invoice
- 356 – This outpatient allowance was based on the Medicare's methodology (Part B) plus the Texas markup
- 618 – The value of this procedure is packaged into the payment of other services performed on the same date of service
- P12 – Workers' compensation jurisdictional fee schedule adjustment

Issues

1. Does an extent of injury exist?

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

3. Is the requester entitled to additional reimbursement?

Findings

1. The insurance carrier denied Code 87635 based on extent of injury. The requestor has not requested medical fee dispute on this code. This denial will not be considered in this review.

2. The charges in dispute are for outpatient hospital services rendered in July 2021. The insurance carrier reduced the charges based on packaging and fee schedule.

   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*.

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. As separate reimbursement of the implants was not requested, the Medicare facility amount will be multiplied by two hundred percent.

Review of the submitted medical bill and the applicable fee guidelines referenced above is shown below.

- Procedure code 20680 has status indicator Q2. This code is assigned APC 5073. The OPPS Addendum A rate is $2,370.01. This is multiplied by 60% for an unadjusted labor amount of $1,422.01, in turn multiplied by facility wage index 0.9707 for an adjusted labor amount of $1,380.35.

  The non-labor portion is 40% of the APC rate, or $948.00.

  The sum of the labor and non-labor portions is $2,328.35.

  The Medicare facility specific amount is $2,328.35 multiplied by 200% for a MAR of $4,656.70.

3. The total recommended reimbursement for the disputed services is $4,656.70. The insurance carrier paid $3,003.19. The requestor is seeking additional reimbursement of $1,617.09. 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 of $1,617.09 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 Service Lloyds Insurance Co must remit to USMD Hospital Arlington $1,617.09 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	October 26, 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 electronico CompConnection@tdi.texas.gov.