



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Texas Health Huguley Surgery Center

Respondent Name

Sentry Select Insurance Co.

MFDR Tracking Number

M4-22-0340-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

October 18, 2021

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
May 10, 2021	Ambulatory Surgical Care Services, (ASC), CPT Code 27822	\$5,245.86	\$0.00
Total		\$5,245.86	\$0.00

Requestor's Position

"According to TX workers compensation fee schedule the expected reimbursement for DOS 5/10/2021 is \$11,506.60. Previous payment received total \$9,489.03. Please reprocess and remit payment for remaining balance of \$5,245.86."

Amount in Dispute: \$5,245.86

Respondent's Position

"We believe the provider is not taking into account that CPT 27822 and 27829 have a Status Indicator of J8 which means it is a Device-intensive procedure and paid at adjusted rate."

Response Submitted By: Sentry Insurance

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 the payment for the disputed services with the following claim adjustment codes:

- P12-Workers' compensation jurisdictional fee schedule adjustment.
- 59-Processed based on multiple or concurrent procedure rules.
- W3-In accordance with TDI-DWC rule 134.804, this bill has been identified as a request for reconsideration or appeal.

1. Is Texas Health Huguley Surgery Center entitled to additional reimbursement?

Findings

1. The requestor is seeking medical fee dispute resolution in the amount of \$5,245.86 for ASC services rendered on May 10, 2021.

The respondent contends that additional reimbursement is not due because payment of \$3,105.17 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 27822 is a device intensive procedure.

28 TAC §134.402(f)(2)(A)(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: (A) the sum of: (i) the ASC device portion; 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 27822 for CY 2021 = \$6,264.95.

The device dependent APC offset percentage for National Hospital OPPS found in Addendum P for code 27822 for CY 2021 is 34.48%

Multiply these two = \$2,160.15.

- Step 2 calculating the service portion of the procedure:

Per Addendum AA, the Medicare ASC reimbursement rate for code 27822 for CY 2021 is \$3,943.38.

This number is divided by 2 = \$1,971.69.

This number multiplied by the City Wage Index for Burleson, Texas of 0.9697 = \$1,911.95.

The sum of these two is the geographically adjusted Medicare ASC reimbursement = \$3,883.64.

The service portion is found by taking the geographically adjusted rate minus the device portion = \$1,723.49.

Multiply the service portion by the DWC payment adjustment of 235% = \$4,050.20.

- Step 3 calculating the MAR:

The MAR is determined by adding the sum of the reimbursement for the device portion and the service portion = \$6,210.35. CPT code 27822 is subject to multiple procedure rule discounting of 50%. On the disputed date of service, the requestor billed and was paid 100% of MAR for CPT code 27829; therefore, CPT code 27822 is reduced by 50% = \$3,105.17.

The DWC finds the MAR for CPT code 27822 is \$3,105.17. The respondent paid \$ 3,105.17. As a result, additional reimbursement 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

_____	_____	11/17/2021
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, **option 3 or email** CompConnection@tdi.texas.gov.