

## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Baylor Orthopedic & Spine Hospital

**Respondent Name**

Grand Prairie ISD

**MFDR Tracking Number**

M4-22-0848-01

**Carrier's Austin Representative**

Box Number 44

**DWC Date Received**

January 7, 2022

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 26, 2021	C1713	\$12,210.49	\$0.00
February 26, 2021	25609	\$3,516.04	\$3,516.04
	Total	\$15,726.53	\$3,516.04

### Requestor's Position

The requestor did not submit a position statement but did submit a copy of their reconsideration that states, "According to TX workers compensation guidelines the expected reimbursement for DOS 2826/2021 is \$22,337.93. Previous payment received total \$6,611.40. Please review enclosed implant invoices and cost certification letter, and remit payment for remaining balance due.

**Amount in Dispute:** \$15,726.53

### Respondent's Position

...Foresight is disagreeing with the provider that an additional allowance is due. Provider incorrectly asserts they are due for an amount equal to their "charges + 10% and not the statutory amount of their "cost + 10%. As such, Foresight contends the provider was adequately

compensated for the implants up to a total allowance of \$2,188.73 as calculated above.

**Response submitted by:** Foresight

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

- P12 – The charge exceeds the APC rate for this service.
- 97 – The service is considered incidental, packaged, or bundled into another service or APC payment
- W3 – No additional reimbursement allowed after review or appeal/reconsideration
- 14 – Item was determined to not have been permanently implanted during the procedure.

### 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 payment for services in an outpatient hospital setting. The insurance carrier reduced the payment stating the charge exceeds the APC rate for the service. DWC Rule 28 TAC §134.403 (e) (2) states regardless of billed amount, reimbursement shall be when no contracted fee schedule exists that complies with Labor Code §413.011, the maximum allowable reimbursement (MAR) amount under subsection (f) of this section, including any applicable outlier payment amounts and reimbursement for implantables.

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](http://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*.

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 C1713 represents the charge for implants used during the procedure. DWC Rule 28 TAC §134.403 (g) states implantables, when billed separately by the facility or a surgical implant provider in accordance with subsection (f)(1)(B) of this section, shall be reimbursed at 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.

The total net invoice amount (exclusive of rebates and discounts) supported by the operative report is \$1,989.75. The total add-on amount of 10% or \$1,000 per billed item add-on, is \$198.98. The total recommended reimbursement amount for the implantable items is \$2,188.73.

- Procedure code 25609 has status indicator J1, for procedures paid at a comprehensive rate. This code is assigned APC 5114.

The OPPS Addendum A rate is \$6,264.95 multiplied by 60% for an unadjusted labor amount of \$3,758.97, in turn multiplied by facility wage index 0.9579 for an adjusted labor amount of \$3,600.72.

The non-labor portion is 40% of the APC rate, or \$2,505.98.

The sum of the labor and non-labor portions is \$6,106.70.

The Medicare facility specific amount is \$6,106.70 is multiplied by 130% for a MAR of \$7,938.71. The insurance carrier's reduction is not supported.

2. The total recommended reimbursement for the disputed services is \$10,127.44. The insurance

carrier paid \$6,611.40. The amount due is \$3,516.04. 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 \$3,516.04 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 Grand Prairie ISD must remit to Baylor Orthopedic and Spine Hospital \$3,516.04 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

February 3, 2022  
\_\_\_\_\_  
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](http://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](mailto: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).

i 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](mailto:CompConnection@tdi.texas.gov).