



## Medical Fee Dispute Resolution Findings and Decision General Information

**Requestor Name**

MHHS HERMANN HOSPITAL

**Respondent Name**

ACE AMERICAN INSURANCE COMPANY

**MFDR Tracking Number**

M4-22-1477-01

**Carrier's Austin Representative**

Box Number 15

**DWC Date Received**

March 16, 2022

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 9, 2021 through April 17, 2021	Inpatient Facility Charges	\$123,925.00	\$55,313.46
<b>Total</b>		<b>\$123,925.00</b>	<b>\$55,313.46</b>

### Requestor's Position

"This is a bill for services provided by Memorial Hermann Hospital for a worker's comp injury for the above-named patient. As of right now, the carrier has not processed the bill for payment, sent us a denial or provided us with any correspondence related to this bill/claim... As of today, we have not received an EOB or a payment on this outstanding account. Please see the attached medical fee dispute and require the carrier to process and pay per Texas fee schedule plus interest."

**Amount in Dispute:** \$123,925.00

### Respondent's Position

"The entire hospital admission was denied for lack of preauthorization. DWC Rule 134.6001(p)(1) requires preauthorization for inpatient hospital admissions, including the principal scheduled procedure and length of stay. In conclusion, Requestor is not owed any additional reimbursement for the failure to obtain preauthorization for the entire inpatient admission."

**Response Submitted by:** Downs Stanford, P.C.

## 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 (TAC) §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.404 sets out the acute care hospital fee guideline for inpatient services.
3. 28 TAC §134.600 sets out the requirements of prior authorization.
4. 28 TAC §133.2 defines a medical emergency.

### Denial Reasons

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

- 197 – Payment denied/reduced for absence of precertification/authorization.
- QA – The amount adjusted is due to bundling or unbundling of services.

### Issues

1. Is the Insurance Carrier's denial reason supported?
2. Is the Requestor entitled to reimbursement?

### Findings

1. The requestor seeks reimbursement for in-patient facility charges rendered on April 9, 2021 through April 17, 2021. The insurance carrier denied the disputed claim based on lack of preauthorization.

28 TAC §134.600 (p) (1) states, "Non-emergency health care requiring preauthorization includes inpatient hospital admissions, including the principal scheduled procedure(s) and the length of stay."

Review of the submitted medical records document that the injured employee sought emergency care on the onset of the injury.

28 TAC §133.2 (5) defines a medical emergency as the sudden onset of a medical condition manifested by acute symptoms of sufficient severity, including severe pain, that the absence of immediate medical attention could reasonably be expected to result in placing the patient's health or bodily function in serious jeopardy.

28 TAC §134.600 (p) requires non-emergency health care to receive prior authorization.

The DWC finds that the requestor submitted sufficient documentation to support that preauthorization was not required for the services in dispute. As a result, the insurance carrier's denial reason is not supported, and the requestor is entitled to reimbursement for the inpatient facility charges.

2. This dispute regards inpatient hospital facility services with payment subject to 28 TAC §134.404(f), requiring the maximum allowable reimbursement (MAR) to be the Medicare facility specific amount (including outlier payments) applying Medicare Inpatient Prospective Payment System (IPPS) formulas and factors, as published annually in the Federal Register, with modifications set forth in the rules. Medicare IPPS formulas and factors are available from the Centers for Medicare and Medicaid Services at <http://www.cms.gov>.

The division calculates the Medicare facility specific amount using Medicare's *Inpatient PPS PC Pricer* as a tool to efficiently identify and apply IPPS formulas and factors. This software is freely available from [www.cms.gov](http://www.cms.gov).

Note: the "VBP adjustment" listed in the *PC Pricer* was removed in calculating the facility amount for this admission. Medicare's Value-Based Purchasing (VBP) program is an initiative to improve quality of care in the Medicare system. However, such programs conflict with Texas Labor Code sections 413.0511 and 413.0512 regarding review and monitoring of health care quality in the Texas workers' compensation system. Rule §134.404(d)(1) requires that specific Labor Code provisions and division rules take precedence over conflicting CMS provisions for administering Medicare. Consequently, VBP adjustments are not considered in determining the facility reimbursement.

Separate reimbursement for implants was not requested. 28 TAC §134.404(f)(1)(A) requires that the Medicare facility specific amount be multiplied by 143%.

Review of the submitted medical bill and supporting documentation finds the assigned DRG code to be 928. The service location is Houston, Texas. Based on DRG code, service location, and bill-specific information, the Medicare facility specific amount is \$38,680.75. This amount multiplied by 143% results in a MAR of \$55,313.46.

The total allowable reimbursement for the services in dispute is \$55,313.46. This amount less the amount previously paid by the insurance carrier of \$0.00 leaves an amount due to the requestor of \$55,313.46. 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.

The DWC finds the requester has established that reimbursement of \$55,313.46 is due.

## Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed services. It is ordered that the Respondent must remit to the Requestor \$55,313.46 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 Date April 29, 2022

  
\_\_\_\_\_  
Signature Medical Fee Dispute Resolution Director Date April 29, 2022

## 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).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 1-800-252-7031, opción 3 o correo electrónico [CompConnection@tdi.texas.gov](mailto:CompConnection@tdi.texas.gov).