



## Medical Fee Dispute Resolution Findings and Decision General Information

**Requestor Name**

JASON RICHARD BAILEY, MD

**Respondent Name**

ACCIDENT FUND NATIONAL INSURANCE

**MFDR Tracking Number**

M4-22-1568-01

**Carrier's Austin Representative**

Box Number 06

**DWC Date Received**

March 29, 2022

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
November 4, 2021	26593, 26508, 14040, 15004, 15275, 11042, 20650 and 15276	\$18,977.09	\$1,302.72
<b>Total</b>		\$18,977.09	\$1,302.72

### Requestor's Position

"Our claim originally submitted on 01/23/22 in the amount of \$22,548.34 and was reimbursed an inferior/partial payment of \$3,571.25.... Our physician... has been grossly under-reimbursed for a medically necessary surgery performed... at just under 16% of billed charges. Per EOB received, code 20650 denied due to this service/procedure requires that a qualifying service/procedure be received and covered, and this service is an integral part of total service performed and does not warrant separate procedure charge. Per AAPC MCR CCI edits, code 20650 is an Allowable/ payable code with NO CCI edits..."

**Amount in Dispute:** \$18,977.09

### Respondent's Position

"20650 denied as it was not appropriately modified identifying separate reimbursement... 26593 Paid per fee schedule and was adjusted per multiple procedure reductions... 14040 Paid per fee schedule and was adjusted per multiple procedure reductions... 15004 Paid per fee schedule and was adjusted per multiple procedure reductions... 15275 Paid per fee schedule and was adjusted per multiple procedure reductions... 11042 Paid per fee schedule and was adjusted per multiple procedure reductions... 15276 was an additional code and paid per fee schedule. It is not subject to the cascade reductions, and none were taken."

**Response Submitted by:** Stone Loughlin Swanson

## 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 §134.203 sets out the fee guideline for professional medical services.

### Denial Reasons

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

- 59 - CHARGES ARE ADJUSTED BASED ON MULTIPLE SURGERY RULES OR CONCURRENT ANESTHESIA RULES.
- 78 - THE ALLOWANCE FOR THIS PROCEDURE WAS ADJUSTED IN ACCORDANCE WITH MULTIPLE SURGICAL PROCEDURE RULES AND/OR GUIDELINES.
- 86 - SERVICE PERFORMED WAS DISTINCT OR INDEPENDENT FROM OTHER SERVICES PERFORMED ON THE SAME DAY.
- 299 - THIS SERVICE IS AN INTEGRAL PART OF TOTAL SERVICE PERFORMED AND DOES NOT WARRANT SEPARATE PROCEDURE CHARGE.
- B15 - THIS SERVICE/PROCEDURE REQUIRES THAT A QUALIFYING SERVICE/PROCEDURE BE RECEIVED AND COVERED. THE QUALIFYING OTHER SERVICE/PROCEDURE HAS NOT BEEN RECEIVED/ADJUDICATED.
- P12 - WORKERS' COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT.
- 4063 - REIMBURSEMENT IS BASED ON THE PHYSICIAN FEE SCHEDULE WHEN A PROFESSIONAL SERVICE WAS PERFORMED IN THE FACILITY SETTING
- 193 – ORIGINAL PAYMENT DECISION IS BEING MAINTAINED. UPON REVIEW, IT WAS DETERMINED THAT THIS CLAIM WAS PROCESSED PROPERLY.
- 299 - THIS SERVICE IS AN INTEGRAL PART OF TOTAL SERVICE PERFORMED AND DOES NOT WARRANT SEPARATE PROCEDURE CHARGE.
- B15 - THIS SERVICE/PROCEDURE REQUIRES THAT A QUALIFYING SERVICE/PROCEDURE BE RECEIVED AND COVERED. THE QUALIFYING OTHER SERVICE/PROCEDURE HAS NOT BEEN RECEIVED/ADJUDICATED.
- 1014 - THE ATTACHED BILLING HAS BEEN RE-EVALUATED AT THE REQUEST OF THE PROVIDER. BASED ON THIS RE-EVALUATION, WE FIND OUR ORIGINAL REVIEW TO BE CORRECT. THEREFORE, NO ADDITIONAL ALLOWANCE APPEARS TO BE WARRANTED.

### Issues

1. Is the Insurance Carrier's denial reason(s) supported?
2. What rules apply to reimbursement for the surgical services?
3. Is the Requestor entitled to reimbursement?

## Findings

1. The requestor seeks additional reimbursement in the amount of \$18,977.09, for professional services rendered on November 4, 2021. The insurance carrier issued a payment totaling \$3,571.25 and denied the remaining charges with reductions codes indicated above.

28 TAC §134.203(b)(1) states, "For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules."

The DWC completed NCCI edits to identify potential edit conflicts that may affect reimbursement. Review of the medical bill documents that the requestor billed the following CPT codes: 26593, 26508, 14040, 15004, 15275, 11042, 20650 and 15276. The following was identified:

No edit conflicts were identified. As a result, the requestor is entitled to reimbursement per 28 TAC 134.203 (c).

2. 28 TAC §134.203 (c) states in pertinent part, "(c) To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications. (1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is \$52.83. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32. (2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar year..."

Review of the Medicare payment policies finds the following:

### *Multiple Surgery/Procedure (Modifier 51) Indicator: 2*

Standard payment adjustment rules for multiple procedures apply. If procedure is reported on the same day as another procedure with an indicator of 1, 2, or 3, rank the procedures by fee schedule amount and apply the appropriate reduction to this code (100 percent, 50 percent, 50 percent, 50 percent, 50 percent, and by report). Base payment on the lower of: (a) the actual charge or (b) the fee schedule amount reduced by the appropriate percentage.

### *Multiple Surgery/Procedure (Modifier 51) Indicator: 0*

No payment adjustment rules for multiple procedures apply. If procedure is reported on the same day as another procedure, base payment on the lower of: (a) the actual charge or (b) the fee schedule amount for the procedure.

CPT Code	CMS Fee Schedule	MAR	Multiple Surgery/ Procedure Indicator	MAR after Reduction
14040	\$791.20	\$1,740.53	2	\$1,740.53
15004	\$422.35	\$929.11	0	\$929.11
26593	\$684.78	\$1,506.42	2	\$753.21
26508	\$716.31	\$1,575.78	2	\$787.87
20650	\$230.03	\$506.03	2	\$253.01
15275	\$168.09	\$369.77	2	\$184.88
11042	\$136.38	\$300.02	2	\$150.01
15276	\$34.25	\$75.35	0	\$75.35
TOTAL	\$3,183.39	\$7,003.01		\$4,873.97

To determine the MAR the following formula is used: (DWC Conversion Factor/Medicare Conversion Factor) X Medicare Payment = Maximum Allowable Reimbursement (MAR).

- The 2021 DWC Conversion Factor - Surgery is 76.76
  - The 2021 Medicare Conversion Factor is 34.8931
  - Per the medical bills, the services were rendered in Houston, TX; therefore, the Medicare locality is "Houston Texas."
  - The Medicare Participating amount for the above CPT codes is indicated above.
  - The respondent paid \$3,571.25.
  - The requestors is therefore entitled to an additional recommended amount of \$1,302.72. This amount is recommended.
3. The DWC finds that the requestor is entitled to an additional reimbursement in the amount of \$1,302.72.

### 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 \$1,302.72 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 \$1,302.72 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

### Authorized Signature

_____	_____	May 6, 2022
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](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).