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

General Information

Requestor Name
Med City Plano

Respondent Name
Texas Mutual Insurance

MFDR Tracking Number
M4-22-1806-01

Carrier's Austin Representative
Box Number 54

DWC Date Received
April 22, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 28 – 29, 2021	Outpatient Hospital	$8,645.02	$0.00
	Total	$8,645.02	$0.00

Requestor's Position

"Payor has incorrectly reimbursed this bill at an unknown rate near 130% OPPS and not in accordance with the Texas Administrative Code. …As Hospital is not requesting separate reimbursement for Implants, payment should be in accordance with section f subsection 1(a), at 200% of OPPS."

Amount in Dispute: $8,645.02

Respondent's Position

The Austin carrier representative for Texas Mutual is Texas Mutual. The representative was notified of this medical fee dispute on April 26, 2022.

Per 28 Texas Administrative Code §133.307(d)(1), if the DWC does not receive the response within 14 calendar days of the dispute notification, then the DWC may base its decision on the available

information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

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:

- P12 – Workers' compensation jurisdictional fee schedule adjustment
- 131 – Claim specific negotiated discount
- 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly
- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated
- DC3 – Additional reimbursement allowed after reconsideration
- 217 - The value of this procedure is included in the value of another procedure performed on this date
- 305 – The implant is included in this billing and is reimbursed at the hihigher percentage calculation
- 616 – This code has a status Q APC indicator and is packaged into other APC codes that have been identified
- 668 – The allowance for this line item is based on an outlier reimbursement

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 reimbursement for outpatient hospital services rendered in April 2021. The insurance carrier made an original payment of $12,235.20 and upon reconsideration an additional amount of $5,649.64 for a total of $17,884.84. The requestor states an additional payment is due per applicable fee guidelines.
   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 (e) states in pertinent part, regardless of billed amount, when no specific fee schedule or contract reimbursement shall be the maximum allowable reimbursement (MAR) amount under subsection (f) of this section including any applicable outlier payment amounts and reimbursement for implatables.
   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. Payment of outlier charges is payable when the total cost for a service exceeds 1.75 times the OPPS payment **and** separately exceeds the fixed-dollar threshold determined each year;
   Review of the submitted medical bill and the applicable fee guidelines referenced above is shown below.

   - Procedure code J3490 has status indicator N, reimbursement is included with payment for the primary services.

2. Procedure code C1713 has status indicator N reimbursement is included with payment for the primary services.

3. Procedure code 36415 has status indicator Q4, for packaged labs; reimbursement is included with payment for the comprehensive J1 procedure.

- Procedure code 36415, billed April 29, 2021, has status indicator Q4, for packaged labs; reimbursement is included with payment for the comprehensive J1 procedure.

- Procedure code 84134 has status indicator Q4, for packaged labs; reimbursement is included with payment for the comprehensive J1 procedure..

- Procedure code 80048, billed April 29, 2021, has status indicator Q4, for packaged labs; reimbursement is included with payment for the comprehensive J1 procedure.

- Procedure code 86850 has status indicator Q1, for STV-packaged codes; r reimbursement is included with payment for the comprehensive J1 procedure.

- Procedure code 86900 has status indicator Q1, for STV-packaged codes; reimbursement is included with payment for the comprehensive J1 procedure.

- Procedure code 86901 has status indicator Q1, for STV-packaged codes; reimbursement is included with payment for the comprehensive J1 procedure.

- Procedure code 85610 has status indicator Q4, for packaged labs; reimbursement is included with payment for the comprehensive J1 procedure..

- Procedure code 85027, billed April 29, 2021, has status indicator Q4, for packaged labs; reimbursement is included with payment for the comprehensive J1 procedure..

- Procedure code 63047 has status indicator J1, for procedures paid at a comprehensive rate. All covered services on the bill are packaged with the primary "J1" procedure.

  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 0.9608 for an adjusted labor amount of $3,611.62.

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

  The sum of the labor and non-labor portions is $6,117.60.

  The Medicare payment policy regarding outliers is found in the Medicare Claims Processing Manual, CMS Publication 100-04, Chapter 4, §10.7.1, if the cost of a service ***exceeds both 1.75 times the OPPS payment and also the fixed-dollar threshold*** of $5,300, the outlier payment is 50% of the amount in excess of 1.75 times the OPPS payment.

  Per the OPPS Facility-Specific Impacts file, CMS lists the cost-to-charge ratio for this provider as 0.081. This ratio is multiplied by the billed charge of $32,417.55 for a cost of $2,625.82.

  The cost of packaged items is allocated proportionately across all separately paid OPPS services based on percentage of the total APC payment. The APC payment of $6,264.95 divided by the sum of APC payments is 100.00%.

The sum of packaged costs is $6,230.05. The allocated portion of packaged costs is $6,230.05, which is added to the service cost for a total cost of $8,855.87.

The cost of services exceeds the fixed-dollar threshold of $5,300 however the amount by which the cost exceeds 1.75 times the OPPS payment ($6,264.95 x 1.75 = $10,963.66) is $0.00.

The Medicare payment policy for additional payment of an outlier is not met as the cost of services does not meet **both** required elements of the Medicare policy.

The Medicare facility specific amount is $6,117.60 multiplied by 200% for a MAR of $12,235.20.

- Procedure code 63048 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code 97530 is included in the J1 comprehensive procedure.
- Procedure code 97116, billed April 29, 2021, is included in the J1 comprehensive procedure.
- Procedure code 97535, billed April 29, 2021, is included in the J1 comprehensive procedure .
- Procedure code 97161 is included in the J1 comprehensive procedure.
- Procedure code C9399 is included in the J1 comprehensive procedure..
- Procedure code J0690 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J1580 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J2250 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J2704 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J2800 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J3010 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J3260 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J3301 has status indicator N, reimbursement is included with payment

for the primary services.

- Procedure code J3370 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J7030 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J7050 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J7999 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J7030, billed April 29, 2021, has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code 95941 has status indicator N, reimbursement is included with payment for the primary services.

2. The total recommended reimbursement for the disputed services is $12,235.20. The insurance carrier paid $17,884.84. Additional payment 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

Signature	Medical Fee Dispute Resolution Officer	July 18, 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. 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.