



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Baylor Surgicare at North
Dallas

Respondent Name

Dallas ISD

MFDR Tracking Number

M4-22-1815-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

April 25, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
August 6, 2021	25608	\$1547.93	\$0,00
Total		\$1,547.93	\$0.00

Requestor's Position

"At this time we are requesting that this claim paid in accordance with the 2021 Texas Workers Compensation Fee Schedule and Guidelines for Ambulatory Surgical Centers."

Amount in Dispute: \$1,547.93

Respondent's Position

"The sum of the ASC device portion \$2,5783.33 plus the ASC service portion \$3,695.26 = \$6,237.59. The initial audit reimbursement was for \$8,206.10. Based on the above calculation there is an overpayment of \$1,932.51."

Response submitted by: Argus

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 ambulatory surgical centers.

Denial Reasons

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

- W3 – No reimbursement recommended on reconsideration. Previous recommendation was in accordance with the Workers' Compensation State Fee Schedules
- P12 – Workers compensate jurisdictional fee schedule adjustment. Reimbursement per ASC guidelines Rule 134.402

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 surgery rendered in August 2021 in an ambulatory surgical center. The insurance carrier reduced the allowed amount based on the workers' compensation fee guidelines.

DWC Rule 28 TAC §134.402 (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 10.1.2 specifically Ambulatory Surgical Center Services on ASC list. Beginning with the implementation of the 2008 revised payment system, the labor related adjustments to the ASC payment rates are based on the Core-Based Statistical Area (CBSA) methodology. Payment rates for most services are geographically adjusted using the pre-reclassification wage index values that CMS uses to pay non-acute

providers. The adjustment for geographic wage variation will be made based on a 50 percent labor related share.

DWC Rule 28 TAC §134.402 (f) states in pertinent part 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 published in the Federal Register. Reimbursement for device intensive procedures shall be the sum of the ASC device portion and the ASC service portion multiplied by 235 percent. DWC Rule §134.402 (e)(2) states in pertinent part, regardless of billed amount, reimbursement shall be if 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 reimbursement for implantables.

The following formula was used to calculate the MAR:

Procedure Code 25608 has a payment indicator of J8. This is a device intensive procedure paid at an adjusted rate. 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 CMS Outpatient Prospective Payment System (OPPS) code 25608 for applicable date of service is \$6,264.95
- The device dependent APC offset percentage for CMS OPPS found in Addendum P for code 25608 is 43.40% for the applicable date of service.
- Multiply these two = \$2,718.99

Step 2 calculating the **service portion** of the procedure:

- Per Addendum AA, the Medicare ASC reimbursement rate for code 25608 for applicable date of service is \$4,204.60
- This number is divided by 2 = \$2,102.30.
- This number multiplied by the CBSA wage index for Dallas, Texas = 0.9744 x \$2,102.30 = \$2,048.48
- The sum of these two is the geographically adjusted Medicare ASC reimbursement = \$2,102.30 + \$2,048.48 = \$4,150.78
- The service portion is found by taking the geographically adjusted rate minus the device portion = \$4,150.78 – \$2,718.99 = \$1,431.79

- Multiply the service portion by the DWC payment adjustment of 235% = \$1,431.79 x 235% = \$3,364.70

Step 3 calculating the MAR:

- The MAR is determined by adding the sum of the reimbursement for the device portion and the service portion = \$3,364.70 + \$2,718.99 = \$6,083.69

3. The DWC finds the MAR for CPT code 25608 is \$6,083.69. The respondent paid \$8,206.10. No additional payment 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 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	June 20, 2022 Date
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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 electrónico CompConnection@tdi.texas.gov.