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

General Information

Requestor Name
Hunt Regional Medical Center

Respondent Name
Sherwin Williams Co

MFDR Tracking Number
M4-22-1883-01

Carrier's Austin Representative
Box Number 48

DWC Date Received
April 29, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
May 18, 2021	73721	$3,361.00	$450.74
	Total	$3,361.00	$450.74

Requestor's Position

"The attached medical records indicate the Hunt Regional Medical Center obtained a verbal authorization for the MRI with CPT code 73321/left knee. However, Gallagher Bassett denied MRI stating the procedure was not prior authorized and/or exceeded the utilization review. Hunt Regional provided the service in good faith based on the fact Gallagher Bassett authorized the procedure."

Amount in Dispute: $3,361.00

Respondent's Position

"Our initial response to the above reference medical fee dispute resolution is as follows: we have escalated the bills in question for manual review to determine if additional monies are owed. Supplemental response will be provided once the bill auditing company has finalized their review."

Response submitted by: Gallagher Bassett

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.
3. 28 TAC §134.600 sets out the requirements for prior authorization.

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
- 199 – Number of services exceed utilization agreement.

Issues

1. Is the insurance carrier's denial supported?
2. What rule applies for determining reimbursement for the disputed services?
3. Is the requester entitled to additional reimbursement?

Findings

1. The requestor is seeking reimbursement for a MRI rendered in an outpatient hospital setting in May 2021. The insurance carrier denied the service based on lack of prior authorization.

   The disputed health care involves diagnostic imaging services. Review of DWC Rule §134.600(p) finds that initial magnetic resonance imaging services provided in an outpatient hospital setting are not listed as requiring preauthorization.

   The insurance carrier's denial is not supported. The claim in dispute will be reviewed per applicable fee guideline,

2. 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 implantables.

   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. Review of the submitted medical bill and the applicable fee guidelines referenced above is shown below.

   - Procedure code 73721 has a status indicator of Q3 and is assigned APC 5523.

     The OPPS Addendum A rate is $230.13. This is multiplied by 60% for an unadjusted labor amount of $1,38.08, in turn multiplied by facility wage index 0.9655 for an adjusted labor amount of $133.32.

     The non-labor portion is 40% of the APC rate, or $92.05.

     The sum of the labor and non-labor portions is $225.37.

     The Medicare facility specific amount is $225.37. This is multiplied by 200% for a MAR of $450.74.

3. The total recommended reimbursement for the disputed services is $450.74. 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 $450.74 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 Sherwin Williams Co must remit to Hunt Regional Medical Center 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	August 19, 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.