



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Texas Surgical Center

Respondent Name

Luba Casualty Insurance Co

MFDR Tracking Number

M4-22-1904-01

Carrier's Austin Representative

Box Number 53

DWC Date Received

May 4, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
January 6, 2022	29888	\$886.05	\$0.00
January 6, 2022	29881	\$142.56	\$0.00
January 6, 2022	C1713	\$0.00	\$0.00
Total		\$0.00	\$0.00

Requestor's Position

"At this time we are requesting that this claim paid in accordance with the 2022 Texas Workers Compensation Fee Schedule and Guidelines for Ambulatory Surgical Centers."

Amount in Dispute: \$1,0238.61

Respondent's Position

"These services have been appropriately reimbursed per Medicare's Inpatient Payment System (DRG) plus a state markup. A multiple procedure reduction has been applied to 29881. Implants, code C1713, are considered packaged into the surgical procedure allowance."

Response Submitted by: Rising Medical Solutions, Inc.

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 or denied] the payment for the disputed services with the following claim adjustment codes:

- 305 – The implant is included in this billing and reimbursed at the higher percentage calculation
- 350 – Bill has been identified as a request for reconsideration or appeal
- 59 – Processed based on multiple or concurrent procedure rules
- 615 – Payment for this service has been reduced according to the Medicare multiple surgery guidelines
- 618 – The value of this procedure is packaged into the payment of other services performed on the same date of service
- 790 – This charge was reimbursed in accordance to the Texas Medical Fee Guideline
- P12 – Workers' compensation jurisdictional fee schedule adjustment

Issues

1. Is the respondent's position statement supported?
2. What rule applies for determining reimbursement for the disputed services?
3. Is the requester entitled to additional reimbursement?

Findings

1. The respondent states in their position statement, "These services have been appropriately reimbursed per Medicare's Inpatient Payment System (DRG) plus a state markup." Review of

the submitted medical bill finds the place of service indicated in 24 (B) is 24 – Ambulatory Surgical Center. These services are not paid per Medicare Inpatient DRG but rather Medicare Ambulatory Surgical Center fee guidelines. The applicable Medicare payment policy and DWC fee guideline is shown below.

2. 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.

DWC Rule 28 TAC 134.402 (f)(2)(A)(i)(ii) 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 in Addendum AA with the following modifications. Reimbursement for device intensive procedures shall be the sum of the ASC device portion and the ASC service portion multiplied by 235 percent.

The following formula was used to calculate the MAR:

Procedure Code 29888 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 reimbursement rate found in the Addendum B for CMS Hospital Outpatient Prospective Payment System (OPPS) code 29888 for applicable date of service is \$6,397.05.
- The device dependent APC offset percentage for CMS Hospital OPPS found in Addendum P for code 29888 for applicable date of service is 38.23% = \$2,445.59.
- Multiply these two = \$2,445.59

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

- Per Addendum AA, the Medicare ASC reimbursement rate for code 29888 for applicable date of service is \$4,125.06.
- This number is divided by 2 = \$2,062.53.
- This number multiplied by the CBSA wage index for Midland Texas of 0.8366 = \$1,725.51.

- The sum of these two is the geographically adjusted Medicare ASC reimbursement = \$3,788.04.
- The service portion is found by taking the geographically adjusted rate minus the device portion = \$3,788.04 - \$2,445.59 = \$1,342.45.
- Multiply the service portion by the DWC payment adjustment of 235% = \$3,154.75

Procedure Code 29881 has a payment indicator of A2. Payment based on OPPS relative payment weight. This procedure is subject to multiple procedure discount. The MAR will be reduced by 50%. DWC Rule 28 TAC 134.402(f) (2) states in pertinent part reimbursement for non-device intensive procedures shall be the Medicare ASC facility reimbursement amount multiplied by 235 percent. The following formula was used to calculate the MAR:

- The Medicare ASC Addendum AA reimbursement for code 29881 for applicable date of service is \$1,360.34.
- The Medicare ASC reimbursement is divided by 2 = \$680.17
- This number multiplied by the CBSA Wage Index for Midland Texas of 0.8366 = \$569.03
- Add these two together = \$1,249.20
- To determine the MAR, multiply the geographically adjusted Medicare ASC reimbursement by the DWC payment adjustment factor of 235% = \$2,935.62.
- Apply the multiple procedure discount (reduce by 50%) = \$1,467.81.

3. The MAR for Code 29888 is \$3,154.75. The MAR for 29881 is \$1,467.81 for a total allowable of \$4,622.56. The insurance carrier paid \$9,450.60. 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 requestor 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 8, 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 electrónico CompConnection@tdi.texas.gov.