

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Doctors Hospital at Renaissance

Respondent Name

Zenith Insurance Co

MFDR Tracking Number

M4-22-1984-01

Carrier's Austin Representative

Box Number 47

DWC Date Received

May 12, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 1, 2022	Drsg Splint Plaster 5'GR	\$0.00	\$0.00
February 1, 2022	A4622	\$0.00	\$0.00
February 1, 2022	Dressing Gauze 4' x 4' st	\$0.00	\$0.00
February 1, 2022	C1713	\$0.00	\$0.00
January 31, 2022	36415	\$0.00	\$0.00
January 31, 2022	87426	\$0.00	\$0.00
January 31, 2022	80048	\$0.00	\$0.00
February 1, 2022	82962	\$0.00	\$0.00
January 31, 2022	85027	\$0.00	\$0.00
February 1, 2022	26746	\$0.00	\$0.00
February 1, 2022	14040	\$1565.48	\$0.00
February 1, 2022	11760	\$478.88	\$0.00
February 1, 2022	11012	\$2167.14	\$0.00
February 1, 2022	Anesthesia	\$0.00	\$0.00
February 1, 2022	Recovery Room	\$0.00	\$0.00
February 1, 2022	96374	\$373.96	\$0.00
	Total	\$5,484.39	\$0.00

Requestor's Position

The requestor did not submit a position statement with their request for MFDR.

Amount in Dispute: \$5,484.39

Respondent's Position

"Zenith distributed the total reimbursement of \$5,484.39 on three lines (RC300/84726-QW, 360/26746-F6 and 710) to comply with TDI-DWC Rule §134.403(e). No additional payment is due to the provider. These services were reimbursed pursuant to §134.403(f)(1)(A)."

Response submitted by: Zenith

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:

- 305 – The implant is included in this billing and is reimbursed at the higher percentage calculation
- 370 – This hospital outpatient allowance was calculated according to the APC rate, plus a markup
- 616 – this code has a Status Q APC indicator and is packaged into other APC codes that have been identified by CMS
- 618 – The value of this procedure is packaged into the payment of other services performed on this same date of service
- P12 – Workers' Compensation jurisdictional fee schedule adjustment
- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated

Issues

1. What rule applies for determining reimbursement for the disputed services?
2. Is the requester entitled to additional reimbursement?

Findings

1. 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).

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 26746 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 5113.

The OPPS Addendum A rate is \$2,892.28 multiplied by 60% for an unadjusted labor amount of \$1,735.37, in turn multiplied by facility wage index 0.8249 for an adjusted labor amount of \$1,431.51.

The non-labor portion is 40% of the APC rate, or \$1,156.91.

The sum of the labor and non-labor portions is \$2,588.42.

The Medicare facility specific amount is \$2,588.42. This is multiplied by 200% for a MAR of \$5,176.84.

- Procedure code 14040 has a status indicator of T and is bundled into the J1 code 26746.
- Procedure code 11760 has a status indicator of T and is bundled into the J1 code

26746.

- Procedure code 10012 has status indicator N, for packaged codes integral to the total service package with no separate payment.
- Procedure code 96374 has a status indicator of S and is bundled into the J1 code 26746.

2. The total recommended reimbursement for the disputed services is \$5,176.84. The insurance carrier paid \$5,454.39. 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

_____	_____	June 10, 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. 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.