



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

JASON R. BAILEY, MD PA

**Respondent Name**

EVEREST NATIONAL INSURANCE COMPANY

**MFDR Tracking Number**

M4-22-2097-01

**Carrier's Austin Representative**

Box Number 19

**DWC Date Received**

May 24, 2022

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
December 18, 2021	13132, 20103, 26750, 76000 and 29125	\$20,312.56	\$1,437.83
	<b>Total</b>	\$20,312.56	\$1,437.83

### Requestor's Position

"Per EOB received dated 03/18/22 codes 13132, 26750, 76000 and 29125 were denied due to the payment adjusted because the benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated; code 20103 denied due to this service is an integral part of total service performed and does not warrant a separate procedure charge. We submitted a corrected claim for denied codes 13132, 26750, 76000 and 29125 on 4/28/22 attaching all the documentation required; per EOB received dated 05/10/2022 re-evaluation denied stating no additional reimbursement allowed after review of appeal/reconsideration. Denied codes 13132, 26750, 76000 and 29125 per AAPC MCR CCI edits are column 2 codes but you may use a CCI-associated modifier to override the edit under appropriate circumstances. We submitted the corrected claim for those denied codes with CCI-associated modifiers. Code 20103 per CCI edits is an allowable/payable code with NO CCI edits. Dr. Bailey has been grossly under-reimbursed for a medically necessary EMERGENT surgery performed on [REDACTED]. I am attaching a copy of the corrected claim that was submitted with all the documentation included for this claim, along with the EOB for re-evaluation. Please review the documents attached."

**Amount in Dispute:** \$20,312.56

## Respondent's Position

"The provider submitted a CMS-1500 for professional services. His billing was on two CMS-1500s. The provider acknowledged that the carrier had already reimbursed him the amount of \$1,477.40. We are attaching a copy of the provider's CMS-1500, the carrier's EOB in response to it, the provider's second submission of his medical bill and the carrier's EOB in response to it. The provider is seeking additional reimbursement of \$20,312.56. The carrier is recommending an additional payment of \$691.82 plus interest. This is based upon the surgery cascades discount. There are eleven-line items between the two pages of the CMS-1500. There is a 50% discount for line items 1, 4, 5, 6, 7, 8, 9, and 11. The provider is issuing additional payment of \$691.82 plus interest."

**Response Submitted by:** Flahive, Ogden & Latson

## 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 §134.203 sets out the fee guideline for professional medical services.

### Denial Reasons

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

- 904 - IN ACCORDANCE WITH CLINICAL EASED CODING EDITS (NATIONAL CORRECT CODING INITIATIVE/OUTPATIENT CODE
- 898 - EDITOR COMPONENT CODE OF COMPREHENSIVE SURGERY INTEGUMENTARY SYSTEM PROCEDURE (10000-19999) HAS BEEN DISALLOWED.
- 899 - IN ACCORDANCE WITH CLINICAL BASED CODING EDITS (NATIONAL CORRECT CODING INITIATIVE/OUTPATIENT CODE EDITOR) COMPONENT CODES OF COMPREHENSIVE SURGERY: MUSCULOSKELETAL SYSTEM PROCEDURE (20000-29999) HAS BEEN DISALLOWED
- 97 - PAYMENT ADJUSTED BECAUSE THE BENEFIT FOR THIS SERVICE IS INCLUDED IN THE PAYMENT/ALLOWANCE FOR ANOTHER SERVICE/PROCEDURE THAT HAS ALREADY BEEN ADJUDICATED.
- 299 - THIS SERVICE IS AN INTEGRAL PART OF TOTAL SERVICE PERFORMED AND DOES NOT WARRANT SEPARATE PROCEDURE CHARGE

### Issues

1. Do the disputed services contain NCCI edit conflicts that could affect reimbursement?
2. Does the multiple procedure payment reduction rule apply?
3. What is the maximum allowable reimbursement (MAR) for the disputed CPT code?
4. Is the Requestor entitled to reimbursement?

## Findings

1. The requestor seeks additional reimbursement for CPT Codes 13132, 20103, 26750, 76000 and 29125 rendered on December 18, 2021. The insurance carrier denied/reduced the disputed services with denial reduction codes indicated above.

28 TAC §134.203(b)(1) states, "For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules."

The requestor appended modifier F7-Right hand, third digit

The requestor appended modifier F8-Right hand, fourth digit

The DWC Completed NCCI edits to help identify potential edit conflicts that could affect reimbursement. The following was found.

No NCCI edits conflicts were identified for any of the CPT codes billed on December 18, 2021.

2. Review of the Medicare Claims Processing Manual, Chapter 12, 40.6, Claims for Multiple Surgeries defines multiple surgeries as "...separate procedures performed by a single physician or physicians in the same group practice on the same patient at the same operative session or on the same day for which separate payment may be allowed. Co-surgeons, surgical teams, or assistants-at-surgery may participate in performing multiple surgeries on the same patient on the same day."

It further states that reimbursement is determined "Base payment for each ranked procedure (indicator '2') on the lower of the billed amount, or:

- 100 percent of the fee schedule amount for the highest valued procedure;
- 50 percent of the fee schedule amount for the second through the fifth highest valued procedure."

Using the formula indicated in 28 TAC 134.203 (c) and the Medicare Claims Processing Manual, Chapter 12, 40.6, Claims for Multiple Surgeries reimbursement is calculated below:

- 20103 – Highest RVU – 100% of the fee schedule – Not subject to the multiple surgery reduction.
- 13132 – Status indicator 2 – Subject to the 50% multiple surgery reduction.
- 26750 – Status indicator 2 – Subject to the 50% multiple surgery reduction.
- 29125 – Status indicator 2 – Subject to the 50% multiple surgery reduction.
- 76000 – Status indicator 0 – 100% of the fee schedule – Not subject to the multiple surgery reduction.

3. 28 TAC §134.203 states in pertinent part, "(c) To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications. (1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is \$52.83. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32. (2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar year..."

To determine the MAR the following formula is used: (DWC Conversion Factor/Medicare Conversion Factor) X Medicare Payment = Maximum Allowable Reimbursement (MAR).

- The disputed services were rendered in 2021.
- The 2021 DWC Surgery Conversion Factor is 76.76
- The 2021 Medicare Conversion Factor is 34.8931
- Per the medical bills, the services were rendered in zip code 77090; therefore, the Medicare locality is "Houston, Texas."

Date of Service	CPT Code	Surgery Indicator	MPPR	MAR	Billed Amount	Insurance Carrier Pd	Amount Due
12/18/21	20103	2	100%	\$793.42	\$3,033.80	\$0.00	\$793.42
12/18/21	13132	2	50%	\$690.54 – 50% = \$345.27	\$3,383.60	\$0.00	\$345.27
12/18/21	26750	2	50%	\$437.00 – 50% = \$218.50	\$2,233.00	\$0.00	\$218.50
12/18/21	29125	2	50%	\$90.85 – 50% = \$45.42	\$262.90	\$0.00	\$45.42
12/18/21	76000	0	100%	\$35.22	\$350.00	\$0.00	\$35.22
TOTALS				\$1,437.83	\$9,263.30		\$1,437.83

4. The DWC finds that the requestor is therefore entitled to reimbursement in the amount of \$1,437.83.

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.

The DWC finds the requester has established that reimbursement of \$1,437.83 is due.

**Order**

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed services. It is ordered that the Respondent must remit to the Requestor \$1,437.83 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

**Authorized Signature**

		June 27, 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](http://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](mailto: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](mailto:CompConnection@tdi.texas.gov).