

## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Doctors Hospital at Renaissance

**Respondent Name**

Midwest Insurance Co

**MFDR Tracking Number**

M4-22-2204-01

**Carrier's Austin Representative**

Box Number 19

**DWC Date Received**

June 8, 2022

### Summary of Findings

| Dates of Service | Disputed Services         | Amount in Dispute | Amount Due |
|------------------|---------------------------|-------------------|------------|
| February 8, 2022 | N4                        | \$0.00            | \$0.00     |
| February 8, 2022 | Drsg spint plaster " gr   | \$0.00            | \$0.00     |
| February 8, 2022 | A6222                     | \$0.00            | \$0.00     |
| February 8, 2022 | Dressing guaze 4 x 4 st   | \$0.00            | \$0.00     |
| February 8, 2022 | C1713                     | \$0.00            | \$0.00     |
| February 8, 2022 | 0202U                     | \$0.00            | \$0.00     |
| February 8, 2022 | 26765                     | \$0.00            | \$0.00     |
| February 8, 2022 | 11760                     | \$478.68          | \$0.00     |
| February 8, 2022 | 11012                     | \$2,167.14        | \$0.00     |
| February 8, 2022 | Anesthesia Gen level-1 F! | \$0.00            | \$0.00     |
| February 8, 2022 | J3010                     | \$0.00            | \$0.00     |
| February 8, 2022 | J2001                     | \$0.00            | \$0.00     |
| February 8, 2022 | J2250                     | \$0.00            | \$0.00     |
| February 8, 2022 | J1100                     | \$0.00            | \$0.00     |
| February 8, 2022 | J2405                     | \$0.00            | \$0.00     |
| February 8, 2022 | J2704                     | \$0.00            | \$0.00     |
| February 8, 2022 | J0690                     | \$0.00            | \$0.00     |
| February 8, 2022 | J1885                     | \$0.00            | \$0.00     |

|                  |                                    |            |        |
|------------------|------------------------------------|------------|--------|
| February 8, 2022 | A9270                              | \$0.00     | \$0.00 |
| February 8, 2022 | Recovery room 1 <sup>st</sup> hour | \$0.00     | \$0.00 |
| February 8, 2022 | 96374                              | \$373.96   | \$0.00 |
|                  | Total                              | \$2,683.78 | \$0.00 |

### **Requestor's Position**

The requestor did not submit a position statement but did submit a copy of their reconsideration that states, "According to TWCC guidelines, Rule §134.403 states that the reimbursement calculation used for establish the MAR shall be by applying the Medicare facility specific amount."

**Amount in Dispute:** \$2,683.78

### **Respondent's Position**

"It is the carrier's position that the provider is entitled to a total of \$5,176.83. The provider is not entitled to any additional reimbursement."

**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 §134.403 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:

- 350 – Bill has been identified as a request for reconsideration or appeal
- 618 – The value of this procedure is packaged into the payment of other services performed on the same date of service
- P12 – Workers' compensation jurisdictional fee schedule adjustment
- 305 – The implant is included in this billing and is reimbursed at the higher percentage calculation

- 370 – The hospital outpatient allowance was calculated according to the APC rate, plus a markup

### 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](http://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 implatables.

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 A6222 has status indicator N reimbursement is included with payment for the primary services.
- Procedure code C1713 has status indicator N, reimbursement is included with payment for the primary services.
- Per Medicare policy, procedure code 0202U is packaged into primary J1 procedure.
- Procedure code 26765 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 multiplied by 200% for a MAR of \$5,176.84.

- Procedure code 11760 has a status indicator of T and is packaged into primary J1 procedure.
- Procedure code 11012 has a J1 status indicator. Medicare payment policy found at [www.cms.gov](http://www.cms.gov) states in pertinent part, "When multiple J1 services are reported on the same claim, the single payment is based on the rate associated with the highest ranking J1 service."
- Procedure code J3010 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J2001 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J2250 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J2405 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J2704 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J0690 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J1885 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code A9270 has status indicator E1, for excluded or non-covered codes not payable on an outpatient bill. Payment is not recommended.
- Procedure code 96374 has a status indicator of S and is included in the primary J1 procedure.

2. The total recommended reimbursement for the disputed services is \$5,176.84. The insurance carrier paid \$5,176.83. 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**

|           |  |               |
|-----------|--|---------------|
|           |  | July 25, 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).