

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Crescent Medical Center

Respondent Name

Travelers Indemnity Co of Connecticut

MFDR Tracking Number

M4-23-0045-01

Carrier's Austin Representative

Box Number 5

DWC Date Received

September 2, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
May 31, 2022	CPT 234 10/29/29806	1728.69	\$0.00
May 31, 2022	Implants-C1713/C1776	1100.00	\$0.00
May 31, 2022	Other	0.00	\$0.00
	Total	\$2828.69	\$0.00

Requestor's Position

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

Amount in Dispute: \$2828.69

Respondent's Position

"...As to the surgical procedures, the Carrier contends the Provider has been properly reimbursed. In support of its position, the Provider submits a Medicare Fee Schedule excerpt for CPT code 23410 and 29806. ...both CPT codes are J-codes. Per the Medicare edits, only the primary J-code is reimbursed. As top the implantables, the Carrier contends the Provider has also been appropriately reimbursed. The Carrier has not reimbursed the Provider for tools and implements used during the surgical procedure, whether stand alone or in the kit, which were not implanted in the Claimant. The Carrier contends the reimbursement for the implantables has been properly

calculated and reimbursed.”

Response submitted by: Travelers

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:

- 97 – Payment adjusted because the benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated
- 45 – Charge exceeds fee schedule/maximum allowable or contracted/legislated fee
- 251 – The attachment/other documentation that was received was incomplete or arrangement or deficient. The necessary information is still needed to process the claim.
- P12 – Workers’ compensation jurisdictional fee schedule adjustment
- 8768 – Review of the submitted documentation does not substantiate or warrant separate payment. The Implant kit billed contains supplies that are not separately reimbursable. For payment consideration re-submit with itemized invoice for cost of implanted item(s) only.

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 additional reimbursement for a surgical procedure and implants rendered on May 31, 2022. The insurance carrier reduced the charges based on workers' compensation fee guidelines and the insurance carrier denied the charge for Code C1776 – Joint device implantable, as Carrier code 8768 – "Review of the submitted documentation does not substantiate or warrant separate payment. The Implant kit billed contains supplies that are not separately reimbursable. For payment consideration re-submit with itemized invoice for cost of implanted item(s) only".

Review of the product description of Smith and Nephew 4403 found in addition to the bone anchors other items, (tendon anchor inserter, cannulas, bone anchor inserter and cannula sleeve) are included in this kit. Insufficient evidence was found to support the cost of these items within the kit. The insurance carrier's denial is supported. Review of the reduction in the allowed amount is calculated below.

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) (1) 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*. (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:

- (A) 200 percent; unless
- (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent.

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 found a separate request for implants was made. The calculation of the maximum allowable reimbursement per the applicable fee guidelines referenced above is shown below.

- Procedure code C1713 represents implant charges calculated below.

- Procedure code C1776 represents an implantable charge. DWC Rule 28 TAC 134.403 (g) states in pertinent part, implantables, when billed separately by the facility or a surgical implant provider in accordance with subsection (f)(1)(B) of this section, shall be reimbursed at the lesser of the manufacturer's invoice amount or the net amount. Review of the submitted documentation did not support the cost of each of the items in the Bone Anchors W Arthro Del System. No additional payment is recommended.
- Procedure code 23410 has a status indicator of J1. The applicable Medicare payment policy found at www.cms.gov allows for the highest ranked J1 code to be paid. The ranking of code 23410 is 533. The ranking of code 29806 is 412 per Addendum J of the OPPS 2022 Addenda. Code is the only comprehensive J1 code to receive payment.
- Procedure code 29806 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 5114. The OPPS Addendum A rate is \$6,397.05 is multiplied by 60% for an unadjusted labor amount of \$3,838.23, in turn multiplied by facility wage index 0.9552 for an adjusted labor amount of \$3,666.28.

The non-labor portion is 40% of the APC rate, or \$2,558.82.

The sum of the labor and non-labor portions is \$6,225.10.

The Medicare facility specific amount is \$6,225.10 multiplied by 130% for a MAR of \$8,092.63.

- Procedure code J0690 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J1100 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 J2405 has status indicator N, reimbursement is included with payment for the primary services.
- Procedure code J2550 has status indicator N, reimbursement is included with payment for the primary services.

The total net invoice amount (exclusive of rebates and discounts) is \$7,892.40. The total add-on amount of 10% or \$1,000 per billed item add-on, whichever is less, but not to exceed \$2,000 in add-on's per admission is \$789.24. The total recommended reimbursement amount for the implantable items is \$8,681.64.

3. The total recommended reimbursement for the disputed services is \$16,774.27. The insurance carrier paid \$16,774.27. 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

		December 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. 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.