TDI Division of Workers' Compensation
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Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Chi St Lukes Baylor College

Respondent Name
Church Mutual Insurance Company

MFDR Tracking Number
M4-23-0745-01

Carrier's Austin Representative
Box Number 17

DWC Date Received
November 23, 2022

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
May 16, 2022	252	$0.00	$0.00
May 16, 2022	258	$0.00	$0.00
May 16, 2022	272	$0.00	$0.00
May 16, 2022	278	$0.00	$0.00
May 16, 2022	300	$0.00	$0.00
May 16, 2022	320	$0.00	$0.00
May 16, 2022	360	$4294.89	$4294.89
May 16, 2022	370	$0.00	$0.00
May 16, 2022	636	$0.00	$0.00
May 16, 2022	710	$0.00	$0.00
	Total	$4294.89	$4294.89

Requestor's Position

"The carrier originally paid $8252,80 for the OR service. We submitted an appeal for underpayment with the Medicare allowable that shows what the markup should be along with a copy of the rule 134.404 stating that only if the provider requests that implants be processed sepaqratey do they need to include the invoice. The carrier did not pay any additional amount and again requested implant invoices. There is a balance left of $4294.89, this is the amount we

are seejkuibg for medical dispute."

Amount in Dispute: $4294.89

Respondent's Position

The Austin carrier representative for Church Mutual is Downs Stanford PC. The representative was notified of this medical fee dispute on December 6, 2022.

Per 28 Texas Administrative Code §133.307(d)(1), if the DWC does not receive the response within 14 calendar days of the dispute notification, then the DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

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:

- 252 – Anattachment/other documentation is required to adjudicate this claim/service
- 253 – In order to review this charge please submit a copy of the certified invoice
- 370 – This hospital outpatient allowance was calculated according to the APC rate, plus a markup
- 616 – This code hs a status Q APC indicator and is packiaged 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 the same date of service
- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated

- P12 – Workers' compensation jurisdictional fee schedule adjustment
- U03 – The billed service was reviewed by UR and authorized

Issues

1. Is the insurance carrier's reduction supported?
2. What rule is applicable to reimbursement?
3. Is the requester entitled to additional reimbursement?

Findings

1. The requestor is seeking additional reimbursemenbnt of outpatient hospital services rendered in May of 2022. The insurance carrier reduced the payment based on lack of invoice for implants. DWC Rule 28 §134.403 (g) (1) states in pertinent part, implantables, when billed separately by the facility… A facility or surgical implant provider billing separately for an implantable shall include with the billing a certification that the amount billed represents the actual cost (net amount, exclusive of rebates and discounts) for the implantable.

   Review of the submitted medical bill found the requestor did not seek separate reimbursement for implants and the maximum allowable reimbursement (MAR) 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) states in pertinent part the reimbursement calculation used for establishingthe 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 24685 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 multiplied by 60% for an unadjusted labor amount of $3,838.23, in turn multiplied by facility wage index 0.9873 for an adjusted labor amount of $3,789.48.

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

  The sum of the labor and non-labor portions is $6,348.30.

  The Medicare facility specific amount is $6,348.30 multiplied by 200% for a MAR of $12,696.60.

3. The total recommended reimbursement for the disputed services is $12,696.60. The insurance carrier paid $8,252.80. The requestor is seeking additional reimbursement of $4,294.89. This amount 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 requester has established that additional reimbursement is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement for the disputed services. It is ordered that Church Mutual Insurance Company must remit to Chi St Lukes Baylor College $4,294.89 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.}

Authorized Signature

		April 14, 2023
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.