



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Providence Memorial Hospital

Respondent Name

Old Republic Insurance Co

MFDR Tracking Number

M4-23-1870-01

Carrier's Austin Representative

Box Number 44

DWC Date Received

March 31, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 13, 2022	0300	3315.00	\$0.00
April 15, 2022	0250	404.00	\$0.00
	0278	50816.48	\$0.00
	0360	31603.00	\$0.00
	0370	5222.00	\$0.00
	0636	2409.00	\$0.00
	0710	6086.00	\$0.00
	WC Adjustments	87376.97	\$0.00
	Total	\$12478.51	\$0.00

Requestor's Position

"The Hospital's records reflect the patient was injured in work related injury. The Hospital provided the medically necessary services on the above dates of service. The Hospital billed Sedgwick, but the bill was denied. However, despite the Hospital's efforts and Request for Reconsideration Sedgwick has not rendered proper payment."

Amount in Dispute: \$12478.51

Respondent's Position

The respondent did not issue a position statement but did make a payment of \$11,449.96 on March 10, 2023, via Electronic Funds Transfer, EFT tracer number 2957440.

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:

- 4915 – The charge for the services represented by the code is included/bundled into the total facility payment and does not warrant a separate payment or the payment status indicator determines the service is packaged or excluded from payment.
- 5141 – Bill has been reviewed by a nurse or under the direction of a nurse.
- 802 – Charge for this procedure exceeds the OPPS schedule allowance.
- 97 – Payment adjusted because 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.

Issues

1. What rule is applicable to reimbursement?
2. Is the requester entitled to additional reimbursement?

Findings

1. The requestor is seeking reimbursement of outpatient hospital services rendered in April of 2022. The insurance carrier reduced the allowed amount based on packaging and fee schedules.

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 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 C1713 has status indicator N, for packaged codes integral to the total service package with no separate payment. A separate request for implants was not made by the requestor.
- Procedure code C1762 has status indicator N, for packaged codes integral to the total service package with no separate payment. A separate request for implants was not made by the requestor.
- Procedure code U0002, billed April 13, 2022, is packaged into primary J1 procedure.
- Procedure code 80053, billed April 13, 2022, has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code 85027, billed April 13, 2022, has status indicator Q4, for packaged labs; reimbursement is included with payment for the primary services.
- Procedure code 23412 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 0.8249 for an adjusted labor amount of \$3,166.16.

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

The sum of the labor and non-labor portions is \$5,724.98.

The Medicare facility specific amount is \$5,724.98 multiplied by 200% for a MAR of \$11,449.96.

- 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 J2250 has status indicator N reimbursement is included with payment for the primary services.
- Procedure code J2370 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 J2710 has status indicator N reimbursement is included with payment for the primary services.
- Procedure code J2795 has status indicator N reimbursement is included with payment for the primary services.
- Procedure code J3010 has status indicator N reimbursement is included with payment for the primary services.
- Procedure code J7120 has status indicator N reimbursement is included with payment for the primary services.

2. The total recommended reimbursement for the disputed services is \$11,449.96. The insurance carrier paid \$11,449.96. 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

Signature

Medical Fee Dispute Resolution Officer

May 30, 2023

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.