



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

North Central Surgical Hospital

Respondent Name

New Hampshire Insurance Co

MFDR Tracking Number

M4-23-2637-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

June 15, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
July 6, 2022	28725	\$4,484.33	\$4,484.33
	Total	\$4,484.33	\$4,484.33

Requestor's Position

The requestor did not submit a position statement with this request for MFDR. They did submit a document titled "Reconsideration" addressed to the Texas Department of Insurance. The request for reconsideration should be sent to the correct workers' compensation carrier not TDI. This document states, "According to TX workers compensation fee schedule the expected reimbursement for CPT code 28725 is \$24,509.56. Please note that surgical code should be reimbursed at 200% GARR."

Amount in Dispute: \$4,484.33

Respondent's Position

"The Provider is requesting additional reimbursement for CPT Code 28725. The fee guidelines for ASC services are found in 28 TAC 134.402 and provide the following to calculated the MAR. ...Respondent issued payment in the amount of \$20,025.23 for the procedure. The amount

reimbursed was correct based on the Fee Guidelines.”

Response submitted by: White Espey PLLC

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 Texas Administrative Code \(TAC\) §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.
- W3 – Bill is a reconsideration or appeal.
- P12 – Workers’ compensation jurisdictional fee schedule adjustment.
- 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.

Issues

1. Is the respondent’s position supported?
2. What rule is applicable to reimbursement?
3. Is the requester entitled to additional reimbursement?

Findings

1. The respondent states in their position statement, “...guidelines for ASC services are found in 28 TAC 134.402 and provide the following to calculated MAR.”

Review of the NPI reported on the medical bill of 1548236524 at www.npiregistry.cms.hhs.gov, found that North Central Surgical Center LLP (requestor) is licensed in the State of Texas as a

General Acute Care Hospital not an ASC. The respondent's position will not be considered in this review.

2. The requestor is seeking additional reimbursement for outpatient hospital services rendered in July of 2022.

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 28725 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 5115. The OPPS Addendum A rate is \$12,593.29 multiplied by 60% for an unadjusted labor amount of \$7,555.97, in turn multiplied by facility wage index 0.9552 for an adjusted labor amount of \$7,217.46.

The non-labor portion is 40% of the APC rate, or \$5,037.32.

The sum of the labor and non-labor portions is \$12,254.78.

The Medicare facility specific amount is \$12,254.78 multiplied by 200% for a MAR of \$24,509.56.

3. The total recommended reimbursement for the disputed services is \$24,509.56. The insurance carrier paid \$20,025.23. The amount due is \$4,484.33. 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 of \$4,484.33 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 New Hampshire Insurance Co must remit to North Central Surgical Hospital \$4,484.33 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	July 13, 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.