



## **Medical Fee Dispute Resolution Findings and Decision General Information**

**Requestor Name**

Baylor Orthopedic & Spine Hospital

**Respondent Name**

Monroe Guaranty Insurance Company

**MFDR Tracking Number**

M4-23-2643-01

**Carrier's Austin Representative**

Box Number 01

**DWC Date Received**

June 16, 2023

### **Summary of Findings**

| <b>Dates of Service</b> | <b>Disputed Services</b> | <b>Amount in Dispute</b> | <b>Amount Due</b> |
|-------------------------|--------------------------|--------------------------|-------------------|
| January 17, 2023        | 24342                    | \$3,408.56               | \$3,408.56        |
|                         | Total                    | \$3408.56                | \$3,408.56        |

### **Requestor's Position**

The requestor did not submit a position statement with the request for MFDR. They submitted a document titled "RECONSIDERATION," dated June 16, 2023 and addressed to Texas Department of Insurance. Requests for reconsideration must be sent to the workers' compensation carrier not TDI. This document states, "Please note that separate reimbursement was not requested in Box 80 of UB-04 form for implants, and surgical code should be reimbursed at 200% GARR."

**Amount in Dispute:** \$3,408.56

### **Respondent's Position**

The Austin carrier representative for Monroe Guaranty Insurance Co., is JT Parker & Associates LLC. The representative was notified of this medical fee dispute on June 20, 2023.

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:

- 350 – Bill has been identified as a request for reconsideration or appeal.
- 353 – This charge was reviewed according to the submitted invoice and documentation.
- 370 – This hospital outpatient allowance was calculated according to the APC rate plus a markup.
- 45 – Charge exceeds fee schedule maximum allowable or contracted/legislated fee arrangement.
- 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.
- W3 – In accordance with TDI-DWC Rule 134.804, this bill has been identified as a request for reconsideration or appeal.

### Issues

1. Did the requestor seek separate reimbursement for implants?
2. What rule is applicable to reimbursement?
3. Is the requester entitled to additional reimbursement?

## Findings

1. The requestor seeks additional payment for outpatient hospital services rendered on January 17, 2023. The insurance carrier issued a payment for the implants used as part of the surgical procedure and reduced the markup. A review of the submitted medical bill and other documentation found the requestor did not seek separate reimbursement for the implants. The reduction of the markup made by the insurance carrier is not supported, as a result, the medical bill will be reviewed per applicable fee guidelines.
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](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 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 facility-specific amount. The Medicare facility-specific amount is multiplied by 200% when separate reimbursement for implants is not requested.

A review of the submitted medical bill and the applicable fee guidelines referenced above is shown below.

Procedure code 24342 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 \$6,614.63 multiplied by 60% for an unadjusted labor amount of \$3,968.78, in turn multiplied by facility wage index 0.9562 for an adjusted labor amount of \$3,794.95.

The non-labor portion is 40% of the APC rate, or \$2,645.85.

The sum of the labor and non-labor portions is \$6,440.80.

The Medicare facility specific amount is \$6,440.80 multiplied by 200% for a MAR of \$12,881.60.

3. The total recommended reimbursement for the disputed services is \$12,881.60. The insurance carrier paid \$9,473.04. The amount due is \$3,408.56. 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 \$3,408.56 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 Monroe Guaranty Insurance Co must remit to Baylor Orthopedic & Spine Hospital \$3,408.56 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

### **Authorized Signature**

|           |  |                |
|-----------|--|----------------|
| _____     | _____                                  | August 9, 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](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 electrónico [CompConnection@tdi.texas.gov](mailto:CompConnection@tdi.texas.gov).