



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

St Lukes Sugarland Hospital

Respondent Name

Old Republic Insurance Co

MFDR Tracking Number

M4-23-2806-01

Carrier's Austin Representative

Box Number 44

DWC Date Received

July 6, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
March 17, 2023	258	\$0.00	\$0.00
March 17, 2023	272	\$0.00	\$0.00
March 17, 2023	320	\$0.00	\$0.00
March 17, 2023	360	\$2740.65	\$0.00
March 17, 2023	370	\$0.00	\$0.00
March 17, 2023	636	\$0.00	\$0.00
March 17, 2023	637	\$0.00	\$0.00
March 17, 2023	710	\$0.00	\$0.00
	Total	\$2740.65	\$0.00

Requestor's Position

"The payable CPT code is 20680. The payment rate is \$2378.29 x wage index of 9.9679 = \$4664.97. Carrier paid \$1924.32 leaving a balance due of \$2740.65 and this is the amount of our dispute."

Amount in Dispute: \$2740.65

Respondent's Position

"Our initial response to the above reference medical fee dispute resolution is as follows: we have escalated the bills in question for manual review to determine if additional monies are owed.

Supplemental response, August 1, 2023.

"...the bill(s) in question was/were escalated and a review completed. Our bill audit company has determined additional monies are owed in the amount of \$641.40. Interest in the amount of \$8.29 has been added. Attached are an updated copy of the Explanation of Benefits and payment summaries for your records."

Response submitted by: Gallagher Bassett

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 – An attachment/other documentation is required to adjudicate this claim/service.
- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- 1 – The charge for the services represented by the revenue code are included/bundled into the total facility payment and do not warrant a separate payment or the payment status indicator determines the service is packaged or excluded from payment. (6183)
- 2 – Charge for this procedure exceeds the OPPS schedule allowance. (6340)
- 3 – Service performed was distinct or independent from other services performed on the same day. (86)
- 4 – Charge for this procedure exceeds the OPPS schedule allowance. (802)
- 5 – CV: Documentation to substantiate this charge was not submitted or is insufficient to accurately review this charge. Please submit documentation to substantiate charges. (5258).
- 6 – Allowance has been adjusted in accordance with OPPS multiple procedure Rule. (799)

- 6998 – ESS Recon logic.
- 90950 – This bill is a reconsideration of a previously reviewed bill. Allowance amounts reflect any changes to the previous payment.

Issues

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

Findings

1. The requestor is seeking additional payment of outpatient hospital services rendered on March 17, 2023. The insurance carrier reduced the allowed amount based on workers' compensation jurisdiction fee guidelines.

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 20680 has a status indicator of Q2, T-packaged codes defined as packaged APC payment when billed on the same claim as a HCPCS code assigned status indicator "T". Separate payment is not recommended.
- Procedure code 76000 has status indicator S, for procedures not subject to reduction. This code is assigned APC 5523. The OPPS Addendum A rate is \$235.00 multiplied by

60% for an unadjusted labor amount of \$141.00, in turn multiplied by facility wage index 0.9925 for an adjusted labor amount of \$139.94.

The non-labor portion is 40% of the APC rate, or \$94.00.

The sum of the labor and non-labor portions is \$233.94.

The Medicare facility specific amount is \$233.94 multiplied by 200% for a MAR of \$467.88.

- Procedure code 64447 has status indicator T, for procedures subject to multiple-procedure reduction. The highest paying status T unit is paid at 100%; all others at 50%. This code is paid at 100%. This code is assigned APC 5442. The OPPS Addendum A rate is \$648.52 multiplied by 60% for an unadjusted labor amount of \$389.11, in turn multiplied by facility wage index 0.9925 for an adjusted labor amount of \$386.19.

The non-labor portion is 40% of the APC rate, or \$259.41.

The sum of the labor and non-labor portions is \$645.60.

The Medicare facility specific amount is \$645.60 multiplied by 200% for a MAR of \$1,291.20.

- Procedure code 64450 has status indicator T, for procedures subject to multiple-procedure reduction. The highest paying status T unit is paid at 100%; all others at 50%. This code is paid at 50%. This code is assigned APC 5442. The OPPS Addendum A rate is \$648.52 multiplied by 60% for an unadjusted labor amount of \$389.11, in turn multiplied by facility wage index 0.9925 for an adjusted labor amount of \$386.19.

The non-labor portion is 40% of the APC rate, or \$259.41.

The sum of the labor and non-labor portions is \$645.60. The Medicare facility specific amount (including multiple-procedure reduction) is \$322.80 multiplied by 200% for a MAR of \$645.60.

2. The total recommended reimbursement for the disputed services is \$2,404.68. The insurance carrier paid \$2,565.76. 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 requestor has not established that additional reimbursement is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled

to \$0.00 additional reimbursement for the disputed services.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

August 16, 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.