



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Chi St Lukes Baylor College

**Respondent Name**

American Home Assurance Co

**MFDR Tracking Number**

M4-23-2815-01

**Carrier's Austin Representative**

Box Number 19

**DWC Date Received**

July 6, 2023

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
March 10, 2023	252	\$0.00	\$0.00
March 10, 2023	272	\$0.00	\$0.00
March 10, 2023	278	\$0.00	\$0.00
March 10, 2023	300	\$0.00	\$0.00
March 10, 2023	320	\$0.00	\$0.00
March 10, 2023	360	\$3802.03	\$3802.03
March 10, 2023	370	\$0.00	\$0.00
March 10, 2023	636	\$0.00	\$0.00
March 10, 2023	710	\$0.00	\$0.00
	Total	\$3802.03	\$0.00

### Requestor's Position

The bill is for an outpatient surgery that should be paid per TDI rule 134.404. The carrier received a bill and denied it for no documentation. We then submitted an appeal with all records attached and the carrier issued payment of \$8546.37 and is requesting the implant invoices when they are not required nor were they submitted certified. The implants should be processed in the MAR value at the higher rate. CPT Code 63650 is the payable code. The Payment rate of \$6295.45 x wage index of 0.9679=\$12348.40. The carrier paid \$8546.37 leaving

a balance due of \$3802.03 and this is the amount of our dispute.”

**Amount in Dispute:** \$3802.03

### **Respondent's Position**

“The provider was paid in accordance with the Medical Fee Guidelines. The provider is not entitled to any additional payment.”

**Response submitted by:** Flahive, Ogden & Latson

### **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.
- TX253 – In order to review this charge please submit a copy of the certified invoice.
- P12 – Workers’ compensation jurisdictional fee schedule adjustment.
- P13 – Payment reduced or denied based on workers’ compensation jurisdictional regulations or payment policies.
- W3 – In accordance with TDI-DWC Rule 134.804, this bill has been identified as a request for reconsideration or appeal.
- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
- TX616 – This code has a status Q APC indicator and is packaged into other APC does that have been identified by CMS.

#### Issues

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

## Findings

1. The requestor is seeking additional payment of outpatient hospital services rendered in March of 2023. The insurance carrier reduced the amount paid as if a separate request for implants was made. Insufficient evidence was found to support the requestor sought separate reimbursement for implants. The insurance carrier's denial for lack of invoice and documentation is not supported. The requestor will be reimbursed based on applicable fee guideline when separate payment for implants is not requested.
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 specific amount. Review of the submitted medical bill and the applicable fee guidelines referenced above is shown below.

- Procedure code 63650 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 5462.
- The OPPS Addendum A rate is \$6,603.85 multiplied by 60% for an unadjusted labor

amount of \$3,962.31, in turn multiplied by facility wage index 0.9925 for an adjusted labor amount of \$3,932.59.

- The non-labor portion is 40% of the APC rate, or \$2,641.54.
- The sum of the labor and non-labor portions is \$6,574.13.
- The Medicare facility specific amount is \$6,574.13 multiplied by 200% for a MAR of \$13,148.26.

3. The total recommended reimbursement for the disputed services is \$13,148.26. The insurance carrier paid \$8,546.37. The requestor is seeking additional reimbursement of \$3,802.03. 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 \$3,802.03 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 American Home Assurance Co must remit to CHI St Lukes Baylor College \$3,802.03 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

### **Authorized Signature**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

July 31, 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](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).