



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Peak Integrated Healthcare

**Respondent Name**

American Zurich Insurance Co

**MFDR Tracking Number**

M4-23-3108-01

**Carrier's Austin Representative**

Box Number 19

**DWC Date Received**

August 9, 2023

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
May 1, 2023	E0730	\$167.38	\$167.38
May 1, 2023	E0731	\$162.93	\$162.93
May 1, 2023	E1399	\$49.28	\$0.00
May 1, 2023	A9300	\$340.00	\$0.00
<b>Total</b>		<b>\$719.59</b>	<b>\$330.31</b>

### Requestor's Position

The requestor did not submit a position statement with this request for MFDR but did submit a copy of their reconsideration that states, "...pre-authorization IS NOT REQUIRED for this item(s) & it is medically necessary and reasonable, as it was prescribed by the treating doctor per – **The Texas Administrative Code Rule 134.600(P)(12) – any SINGLE ITEM durable medical equipment (DME) under \$500 – does NOT need pre-authorization or peer to peer reviews.**"

**Amount in Dispute:** \$719.59

## Respondent's Position

"The provider filed a DWC 60, seeking Medical Fee Dispute Resolution for durable medical equipment with an invoice date of May 1, 2023. The DME totals more than \$500. Accordingly, it required preauthorization pursuant to division rule 134.600 and 137.100."

**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 Texas Administrative Code §133.307](#) sets out the procedures for resolving medical fee disputes.
2. [28 Texas Administrative Code §134.600](#) sets out the requirements of prior authorization.
3. [28 Texas Administrative Code §134.203](#) sets out the reimbursement guidelines for professional medical services.

### Denial Reasons

The insurance carrier denied the payment for the disputed services with the following claim adjustment codes:

- 39 – Services denied at the time authorization/pre-certification was requested
- 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.

### Issues

1. Are the insurance carrier's reasons for denial supported?
2. Are code E1399 and A9300 payable?
3. What is the rule applicable to reimbursement?

### Findings

1. The requestor is seeking reimbursement for durable medical equipment billed under HCPCS codes E0730-NU, E0731, E1399-NU and A9300, rendered on May 1, 2023. When the pre-authorization request was made, the insurance company denied the request.

DWC Rule TAC §134.600 (p) (9) states, "all durable medical equipment (DME) in excess of \$500 billed charges per item (either purchase or expected cumulative rental)."

Review of the submitted medical bill found none of the billed charges per item are in excess of \$500.00. The DWC finds that preauthorization was therefore not required for the disputed DME services. The insurance carrier's denial reason is therefore not supported, and the disputed charges are therefore reviewed pursuant to the applicable guidelines.

2. Regarding HCPC Codes E1399-NU and A9300, DWC Rule 28 TAC 134.203 states, "(b) For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following:

- (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules."

Regarding Code E1399 "Conductive Spray 8.5 oz." The applicable Medicare payment policy is found at [www.cms.gov](http://www.cms.gov). Transcutaneous Electrical Nerve Stimulators (TENS) - Policy Article A52520, **A TENS supply allowance (A4595), is an all-inclusive code** and includes items such as electrodes (any type), conductive paste or gel (if needed, depending on the type of electrode), tape or other adhesive (if needed, depending on the type of electrode), adhesive remover, skin preparation materials, batteries (9 volt or AA, single use or rechargeable), and a battery charger (if rechargeable batteries are used). Based on the above the correct code to submit supplies used with a TENS unit is A4595 not E1399. No payment is recommended.

Regarding Code A9300. This code has a status code of "N" – Non-covered service. No payment is recommended.

3. Regarding HCPC Codes E0730 NU and E0731 the fee guideline is found at 28 TAC §134.203 (d) which states, "The MAR for Healthcare Common Procedure Coding System (HCPCS) Level II codes A, E, J, K, and L shall be determined as follows:

- (1) 125 percent of the fee listed for the code in the Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) fee schedule."

Review of the DMEPOS fee schedule found at [www.dmepdac.com](http://www.dmepdac.com). found the following.

- E0730 non-rural allowable \$167.38. This amount multiplied by 125% = \$209.22
- E0731 non-rural allowable \$162.93. This amount multiplied by 125% = \$203.66

DWC Rule TAC §134.203 (h) When there is no negotiated or contracted amount that complies with Labor Code §413.011, reimbursement shall be the **least of the:**

- (1) MAR amount;

- (2) health care provider's usual and customary charge, unless directed by Division rule to bill a specific amount;

The health care provider's usual and customary charge for E0730 is \$167.38. This amount is

recommended.

The health care provider’s usual and customary charge for E0731 is \$162.93. This amount is recommended.

The total recommended amount is \$330.31.

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 reimbursement is due.

**Order**

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed services. It is ordered that American Zurich Insurance Co., must remit to Peak Integrated Healthcare \$330.31 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

September 11, 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).