



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Midland Memorial Hospital

Respondent Name

Liberty Insurance Corp.

MFDR Tracking Number

M4-23-3291-01

Carrier's Austin Representative

Box Number 1

DWC Date Received

August 24, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
March 14 – 29, 2023	Physical Therapy	\$211.08	\$0.00
Total		\$211.08	\$0.00

Requestor's Position

"This bill remains underpaid after appeal."

Amount in Dispute: \$211.08

Respondent's Position

"We have again reviewed payment for the services of March 14, 2023, by Midland Memorial Hospital and determined that reimbursement was issued according to the guidelines provided by the Texas Medical Fee Schedule. Additionally, CPT 97162 for DOS March 14, 2023 was denied with the *PROCEDURE WAS INAPPROPRIATELY BILLED. THE PROVIDER HAS PREVIOUSLY BILLED FOR AN INITIAL/EVALUATION VISIT.* Midland Memorial Hospital previously billed for CPT 97161 on DOS November 29, 2022 and payment was issued on February 2, 2023."

Response Submitted by: Liberty Mutual

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 physical therapy services.
3. [28 TAC §134.203](#) sets out the fee guidelines for professional medical services.

Denial Reasons

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

- 163 – The charge for this procedure exceeds the unit value and/or the multiple procedure rules.
- 886 – The procedure was inappropriately billed. The provider has previously billed for an initial/evaluation visit.
- 170 – Reimbursement is based on the physician fee schedule when a professional service was performed in the facility setting.

Issues

1. Is the insurance carrier's denial of Code 97162 supported?
2. What rule is applicable to reimbursement?
3. Is requestor entitled to additional reimbursement?

Findings

1. The requestor is seeking additional reimbursement for outpatient physical therapy. The insurance carrier applied the multiple procedure discount to the therapy codes and denied code 97162 stating initial evaluation visit billed and paid.

Code 97162 - Physical therapy evaluation: moderate complexity, requiring these components: A history of present problem with 1-2 personal factors and/or comorbidities that impact the plan of care; An examination of body systems using standardized tests and measures in addressing a total of 3 or more elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions; An evolving clinical presentation with changing characteristics; and Clinical decision making of moderate complexity using standardized patient assessment instrument and/or measurable assessment of functional outcome. Typically, 30 minutes are spent face-to-face with the patient and/or family.

Review of the submitted "Outpatient Rehab Note" dated March 14, 2023, page 7 of 8 indicates, Total Billed: 30 minutes (Timed; 15, Untimed 15)

15 Timed: [97110] Therapeutic Procedure – Exercises

15 Untimed: [97162] PT Evaluation Moderate Complexity

The requestor is seeking separate reimbursement for code 97110. The total time spent on the evaluation was 15 minutes. The requirements of code 97162 are not met. No payment is recommended.

2. DWC 28 TAC §134.403(d) states in pertinent part, for coding, billing, reporting and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided.

The codes in dispute are,

- 97110 – Therapeutic procedure, 1 or more areas, each 15 minutes.
- 97112 – Therapeutic procedure, 1 or more areas, each 15 minutes.
- 97140 – Manual therapy techniques (eg, mobilization/manipulation, manual lymphatic drainage, manual traction), 1 or more regions, each 15 minutes.
- G0283 – Electrical stimulation (unattended), to one or more areas for indication(s) other than wound care, as part of a therapy plan.

These codes have a status indicator of "A". Codes with this status indicator are not paid under OPPS but rather are paid by MACS under a fee schedule or payment system other than OPPS.

The applicable fee schedule for the disputed codes is DWC 28 TAC §134.203 (b) (1) which requires the application of Medicare payment policies applicable to professional services which includes the Medicare Multiple Procedure Discounts.

Medicare Claims Processing Manual Chapter 5, 10.3.7-effective June 6, 2016, titled Multiple Procedure Payment Reductions for Outpatient Rehabilitation Services, states:

Full payment is made for the unit or procedure with the highest PE payment. For subsequent units and procedures with dates of service prior to April 1, 2013, furnished to the same patient on the same day, full payment is made for work and malpractice and 80 percent payment is made for the PE for services submitted on professional claims (any claim submitted using the ASC X12 837 professional claim format or the CMS-1500 paper claim form) and 75 percent payment is made for the PE for services submitted on institutional claims (ASC X12 837 institutional claim format or Form CMS-1450).

For subsequent units and procedures with dates of service on or after April 1, 2013, furnished to the same patient on the same day, full payment is made for work and malpractice and 50 percent payment is made for the PE for services submitted on either professional or institutional claims.

To determine which services will receive the MPPR, contractors shall rank services according to the applicable PE relative value units (RVU) and price the service with the highest PE RVU at 100% and apply the appropriate MPPR to the remaining services. When the highest PE RVU applies to more than one of the identified services,

contractors shall additionally sort and rank these services according to highest total fee schedule amount, and price the service with the highest total fee schedule amount at 100% and apply the appropriate MPPR to the remaining services.

The MPPR Rate File that contains the payments for 2023 services is found at <https://www.cms.gov/Medicare/Billing/TherapyServices/index.html>.

On the disputed dates of service, the requestor billed,

- March 14, 2023, 97110 GP (1) unit. MPPR rate does not apply
- March 16, 2023, 97110 GP (2) units. MPPR rate does apply.
- March 20, 2023, 97110 GP (2) units. MPPR rate does apply.
- March 27, 2023, 97110 GP (1) unit. MPPR rate does apply.
- March 27, 2023, G0283 GP (1) unit. MPPR rate does apply.
- March 29, 2023, 97110 GP (2) units. MPPR rate does apply.
- March 29, 2023, 97140 GP (1) unit. MPPR rate does apply.
- March 22, 2023, 97112 GP (1) unit. MPPR rate does apply.
- March 22, 2023, G0283 GP (1) unit. MPPR rate does apply.

DWC Rule 28 TAC §134.203 (c)(1) states, "To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications. (1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is \$52.83..."

- The dates of service in dispute are March 14, 16, 20, 22, 27, 29.
- The DWC conversion factor for 2023 is \$64.83
- The Medicare conversion factor for 2023 is \$33.8872
- MPPR rates are published by carrier and locality.
- Review of Box 32 on the CMS-1500 finds that the services were rendered in zip code 79701; therefore, the Medicare locality is "Midland, Texas or Rest of Texas."

The following formula represents the calculation of the DWC MAR at §134.203 (c)(1) & (2).

$$(DWC \text{ Conversion Factor} \div Medicare \text{ Conversion Factor}) \times Medicare \text{ Payment} = MAR$$

Applicable 28 TAC 134.203(h) states that the total reimbursement is the lesser of the maximum allowable reimbursement (MAR) and the billed amount.

Date of Service	Code	Units	Medicare Payment	DWC Conversion Factor divided by Medicare Conversion Factor or $64.83 \div 33.8872 = 1.91$	Billed Amount	Lesser of MAR and billed amount
March 14, 2023	97110	1	\$29.03	\$55.54	\$196.00	\$55.54
March 16, 2023	97110	2	\$29.03 ^{1st} unit	$\$55.54 + 42.60 = \98.14	\$392.00	\$98.14

			\$22.27 2 nd unit			
March 20, 2023	97110	2	\$29.03 1 st unit \$22.27 2 nd unit	\$98.14	\$392.00	\$98.14
March 27, 2023	97110	1	\$29.03	\$55.54	\$196.00	\$55.54
March 29, 2023	97110	2	\$29.03 1 st unit \$22.27 2 nd unit	\$98.14	\$392.00	\$98.14
March 22, 2023	97112	1	\$33.30	\$63.71	\$277.00	\$63.71
March 29, 2023	97140	1	\$20.78	\$39.75	\$196.00	\$39.75
March 22, 2023	G0283	1	\$9.09	\$17.39	\$169.00	\$17.39
March 27, 2023	G0283	1	\$9.09	\$17.39	\$169.00	17.39
Total						\$543.74

3. The total allowable DWC fee guideline reimbursement is \$543.74. The insurance carrier paid \$543.74. No additional payment 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 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 reimbursement for the disputed services

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

September 29, 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.