TDI Division of Workers' Compensation
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Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Complete Surgery Houston North

Respondent Name
Liberty Mutual Fire Insurance Co

MFDR Tracking Number
M4-24-0055-01

Carrier's Austin Representative
Box Number 60

DWC Date Received
September 5, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
November 22, 2022	62365	$16861.16	$0.00
November 22, 2022	62368	$0.00	$0.00
November 22, 2022	62365	$0.00	$0.00
November 22, 2022	77003	$0.00	$0.00
November 22, 2022	E0783	$0.00	$0.00
November 22, 2022	00670	$0.00	$0.00
	Total	$16861.16	$0.00

Requestor's Position

No position statement was submitted with this request for MFDR.

Amount in Dispute: $16861.16

Respondent's Position

"We have again reviewed payment for the services of November 22, 202[sic}, by Complete Surgery Houston North and determined that reimbursement was issued according to the guidelines provided by the Texas Medical Fee Schedule. No additional payment is due."

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 §134.402, sets out the fee guidelines for ASC services.

Denial Reasons

The insurance carrier reduced the payment for the disputed service with the following claim adjustment codes:

- P12 4123 – Allowance is based on Texas ASC Device Intensive Procedure calculation and guidelines.
- P12 983 – Charge for this procedure exceeds Medicare ASC schedule.
- 193 – Original payment decision is being maintained. Upon review it was determined that this claim was processed properly,
- 97 903 – In accordance with clinical based coding edits (National Correct Coding Initiative/Outpatient code editor), Component Code of Comprehensive Surgery. Endocrine, Nervous, Eye and Ocular Adnexa, Auditory Systems Procedure (60000-69999) has been disallowed.

Issues

1. Is the insurance carrier's denial supported.?

Findings

1. The requestor is seeking medical fee dispute resolution in the amount of $16,861.16 for ASC services rendered on November 22, 2022. The submitted DWC 60 indicates the amount in dispute is for code 62365. The medical bill claim line for 62362 indicates a billed amount of $135,377.50 (same amount listed on DWC60 as "amount billed") and the carrier paid $16460.59 for Code 62362. It appears the code listed on the first line of the DWC should have been 62362.

   The respondent contends that additional reimbursement is not due because payment of $16,460.59 was made per the fee guideline.

   DWC Rule 28 TAC §134.402 (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 10.1.2 specifically Ambulatory Surgical Center Services on ASC list. Beginning with the implementation of the 2008 revised payment system, the labor related adjustments to the ASC payment rates are based on the Core-Based Statistical Area (CBSA) methodology. Payment rates for most services are geographically adjusted using the pre-reclassification wage index values that CMS uses to pay non-acute providers. The adjustment for geographic wage variation will be made based on a 50 percent labor related share.

DWC Rule 28 TAC §134.402 (f) states in pertinent part the reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the Federal Register.

Reimbursement shall be based on the fully implemented payment amount published in the Federal Register. Reimbursement for device intensive procedures shall be the sum of the ASC device portion and the ASC service portion multiplied by 235 percent.

The following formula was used to calculate the MAR:

Procedure Code 62362 has a payment indicator of J8. This is a device intensive procedure paid at an adjusted rate. The following formula was used to calculate the MAR:

Step 1 calculating the **device portion** of the procedure:

- The national reimbursement is found in the Addendum B for National Hospital Outpatient Prospective Payment System (OPPS) code 62362 for applicable date of service is $17,405.31.
- The device dependent APC offset percentage for National Hospital OPPS found in Addendum P for code 62362 for applicable date of service is 74.11%.
- Multiply these two = $12,899.07.

Step 2 calculating the **service portion** of the procedure:

- Per Addendum AA, the Medicare ASC reimbursement rate for code 62362 for applicable date of service is $14.468.87.
- This number is divided by 2 = $7,234.435.
- This number multiplied by the CBSA for Houston, Texas of 0.9925 = $7,180.18.
- The sum of these two is the geographically adjusted Medicare ASC reimbursement = $7,234.43 + $7,180.18 = $14,414.61.

- The service portion is found by taking the geographically adjusted rate minus the device portion = $14,414.61 – $12.899.07 = $1,515.54
- Multiply the service portion by the DWC payment adjustment of 235% = $3,561.52.

Step 3 calculating the MAR:

- The MAR is determined by adding the sum of the reimbursement for the device portion and the service portion = $12,899.07 + $3,561.52= $16,460.59.

The maximum allowable reimbursement (MAR) is $16,460.59. The insurance carrier paid $16,460.59. No additional payment is recommended.

If this is not the case and code 62365 is in dispute. The following applies. DWC Rule 28 TAC §134.402 (b)(6) states "Medicare payment policy" means reimbursement methodologies, models and values or weights including is coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare.

Review of CMS National Correct Coding Edits at www.cms.gov found Code 62365 has an unbundle relationship with code 62362. The insurance carrier's denial is supported. No 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 not entitled to $0.00 reimbursement for the disputed services.

Authorized Signature

Signature	Medical Fee Dispute Resolution Officer	October 18, 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, option 3 or email CompConnection@tdi.texas.gov.