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

General Information

Requestor Name
Crescent Medical Center

Respondent Name
American Casualty Co of Reading PA

MFDR Tracking Number
M4-24-0216-01

Carrier's Austin Representative
Box Number 57

DWC Date Received
September 29, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 4, 2023	CPT 29888 REV 0360	$12.39	$0.00
April 4, 2023	IMPLANTS REV 0278	$5564.90	$4,400.00
April 4, 2023	ALL OTHER	$0.00	$0.00
	Total	$5577.29	$4,400.00

Requestor's Position

"We are requesting the MAR value of $13,932.78, Please pay the additional $5577.29."

Amount in Dispute: $5577.29

Respondent's Position

The Austin carrier representative for American Casualty Co of Reading PA is Continental Casualty Co. The representative was notified of this medical fee dispute on October 4, 2023.

Per 28 Texas Administrative Code §133.307(d)(1), if the DWC does not receive the response within 14 calendar days of the dispute notification, then the DWC may base its decision on the available

information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

Response submitted by N/A

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 the payment for the disputed services with the following claim adjustment codes:

- 247 – A payment or denial has already been recommended for this service.
- 18 – Exact duplicate claim/service
- 1014 – The attached billing has been re-evaluated at the request of the provider. Based on this re-evaluation, we find our original review to be correct. Therefore, no additional payment to be made fore the above noted procedure code,
- 4915 – The charge for the services represented by the code is included/bundled into the total facility payment and does not warrant a separate payment or the payment status indicator determines the service is packaged or excluded from payment.
- 802 – Charge for this procedure exceeds the OPPS schedule allowance.
- 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- 97 – Payment adjusted because the benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- W3 – Bill is a reconsideration or appeal.

Issues

1. Did the requestor seek additional reimbursement of implants?

2. What rules are applicable to reimbursement?

3. Is the requester entitled to additional reimbursement?

Findings

1. The requestor is seeking payment for outpatient hospital services rendered in April 2023. The insurance carrier reduced the payment based on workers' compensation fee schedule and denied the implants stating the services are bundled into the primary service.

   DWC Rule 28 TAC §133.10 (2)(QQ) required UB-04/field 80 is required when separate reimbursement for surgically implanted devices is requested. Review of the submitted medical bill found field 80 was left blank. However, 134.403 (g)(2) states in applicable part, A carrier may use the audit process under §133.230 of this title to seek verification that the amount certified under paragraph (1) of this subsection properly reflects the requirements of this subsection. Such verification may also take place in Medical Dispute Resolution process und §133.307 of this this title…

   Review of the submitted reconsideration found the requestor used the reconsideration and MFDR processes to request separate reimbursement for the implants. The maximum allowable reimbursement (MAR) will be reviewed per applicable fee guideline.

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, 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 29888 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 the highest ranking J1 procedure and the only payable surgical procedure.

  This code is assigned APC 5114. The OPPS Addendum A rate is $6,614.63 multiplied by 60% for an unadjusted labor amount of $3,968.78, in turn multiplied by facility wage index 0.9528 for an adjusted labor amount of $3,781.45.

  The non-labor portion is 40% of the APC rate, or $2,645.85.

  The sum of the labor and non-labor portions is $6,427.30.

  The Medicare facility specific amount is $6,427.30 multiplied by 130% for a MAR of $8,355.49. The insurance carrier paid $8,355.49. No additional payment is recommended.

- DWC Rule 28 TAC §134.403(g) states, Implantables, when billed separately by the facility or a surgical implant provider in accordance with subsection (f)(1)(B) of this section, shall be reimbursed at the lesser of the manufacturer's invoice amount or the net amount (exclusive of rebates and discounts) plus 10 percent or $1,000 per billed item add-on, whichever is less, but not to exceed $2,000 in add-on's per admission. Review of the submitted medical bill, itemized statement and invoices found the following items billed under Revenue code 278.

  - "Anchor Suture Rigidfix BTB" as identified in the itemized statement. The invoice submitted was dated April 10, 2023 AFTER the date of service April 4, 2023 and will not be considered in this review.

  - "Screw 10x23mm" as identified in the itemized statement. The invoice submitted was dated April 10, 2023 AFTER the date of service April 4, 2023 and will not be considered in this review.

  - "Allograft 10mm Tendon Patellar" as identified in the itemized statement and labeled on the invoice as "Pre-shaped Patellar Tendon" with a cost per unit of $4,000.00.

  The total net invoice amount (exclusive of rebates and discounts) is $4,000.00. The total add-on amount of 10% or $1,000 per billed item add-on, whichever is less, but not to exceed $2,000 in add-on's per admission is $400.00. The total recommended reimbursement amount for the implantable items is $4,400.00.

3. The total recommended reimbursement for the disputed services is $12,755.49. The insurance carrier paid $8,355.49. The amount due is $4,400.00. 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 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 Casualty Co of Reading PA must remit to Crescent Medical Center $4,400.00 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	December 15, 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 electronico CompConnection@tdi.texas.gov.