TDI Division of Workers' Compensation

PO Box 12050 | Austin, TX 78711 | 800-252-7031 | tdi.texas.gov/wc

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
PEAK INTEGRATED HEALTHCARE

Respondent Name
ZURICH AMERICAN INSURANCE CO

MFDR Tracking Number
M4-24-0388-01

Carrier's Austin Representative
Box Number 19

DWC Date Received
October 18, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
July 19, 2023 and July 21, 2023	Code 97110-GP	$517.80	$351.86
July 19, 2023 and July 21, 2023	Code 97112-GP	$32.92	$0.00
	Total	$550.72	$351.86

Requestor's Position

"The attached dates of service were denied full payment, that is INCORRECT. We argue that we have treated and provided services for the patient for allowable treatment and care and these bills should be paid in full as others that have been submitted and paid."

Amount in Dispute: $550.72

Respondent's Position

Insurance carrier did not submit a position statement.

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 (TAC) §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.203 sets out the reimbursement guidelines for professional medical services.

Denial Reasons

- 01, @F, APRV, P12, W3, MZ – the following denial reasons are listed on the explanation of benefits, but no descriptions were indicated.

Issues

1. Did the insurance carrier respond to the DWC-060 request in dispute?
2. What are the applicable rules for the services in dispute?
3. Is the Requestor entitled to additional reimbursement?

Findings

1. The Austin carrier representative for Zurich American Insurance Co is Flahive Ogden & Latson. Flahive Ogden & Latson was notified of this medical fee dispute on October 24, 2023. Rule §133.307(d)(1) states that if the division does not receive the response within 14 calendar days of the dispute notification, then the division may base its decision on the available information. As of today, no response has been received from the carrier or its representative. We therefore base this decision on the information available as authorized under 28 TAC §133.307(d)(1).
2. 28 TAC §134.203(a)(5) states, "'Medicare payment policies' when used in this section, shall mean reimbursement methodologies, models, and values or weights including its coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare."

   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.

Review of the Medicare policies finds that the multiple procedure payment reduction (MPPR) applies to the Practice Expense (PE) of certain time-based physical therapy codes when more than one unit or procedure is provided to the same patient on the same day. Medicare publishes a list of the codes subject to MPPR annually.

For 2023 the codes subject to MPPR are found in CMS 1693F the CY 2023 PFS Final Rule Multiple Procedure Payment Reduction Files. Review of that list found that CPT Codes 97112 and 97110 are subject to the MPPR policy.

The chart below outlines the ranking for PE payment for each of the codes billed by the health care provider.

CPT Code	Practice Expense	Medicare Policy
97110	42	MPPR applies
97112	50	MPPR applies

As shown above CPT Code 97112 has the highest PE payment amount for the services billed by the provider that day, therefore, the reduced PE payment applies to all other services

3. 28 TAC §134.203 states in pertinent part, "(c) 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. For Surgery when performed in a facility setting, the established conversion factor to be applied is $66.32. (2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar

year…”

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

- MPPR rates are published by carrier and locality.
- The services were provided in zip code 75043; Locality is therefore “Dallas.”
- The carrier code for Texas is 4412 and the locality code for Dallas is 11.

CPT Code	Medicare Fee Schedule (1st unit)	MPPR for subsequent units
97110	N/A	$22.99
97112	$34.70	$26.09

To determine the MAR the following formula is used: (DWC Conversion Factor/Medicare Conversion Factor) X Medicare Payment = Maximum Allowable Reimbursement (MAR).

- The 2023 DWC Conversion Factor is 64.83
- The 2023 Medicare Conversion Factor is 33.8872
- The medical bills indicate that the services were rendered in zip code 75043, TX; therefore, the Medicare locality is “Dallas.”

<table>
<tr><th>Date of Service</th><th>CPT Code</th><th># Units</th><th>CMS Payment</th><th>MAR</th><th>Insurance Carrier Paid</th><th>Amount Sought</th><th>Recommended Amount</th></tr>
<tr><td>July 19, 2023 and July 21, 2023</td><td>97110 - GP</td><td>6 ea</td><td>$22.99</td><td>$263.89 x 2</td><td>$175.92</td><td>$517.80</td><td>$351.86</td></tr>
<tr><td rowspan="2">July 19, 2023 and July 21, 2023</td><td rowspan="2">97112 - GP</td><td rowspan="2">2 ea</td><td>$34.70</td><td>$66.38 x 2</td><td rowspan="2">$232.60</td><td rowspan="2">$32.92</td><td rowspan="2">$0.00</td></tr>
<tr><td>$26.09</td><td>$49.91 x 2</td></tr>
</table>

- The Medicare Participating amount for CPT code(s) 97112 at this locality is $34.70 for the first unit and $26.09 for the subsequent units.
- Using the above formula, the DWC finds the MAR is $66.38 for the first unit and $49.91 for the subsequent units.
- The respondent paid $232.60.
- Reimbursement of $0.00 is recommended for date(s) of service July 19, 2023 and July 21, 2023 for a total recommended amount of $0.00.
- The Medicare Participating amount for CPT code(s) 97110 at this locality is $22.99 for the subsequent 6 units.
- Using the above formula, the DWC finds the MAR is $263.89 for the subsequent 6 units.
- The respondent paid $175.92.

- Reimbursement of $351.86 is recommended for date(s) of service July 19, 2023 and July 21, 2023 for a total recommended amount of $351.86.

Conclusion

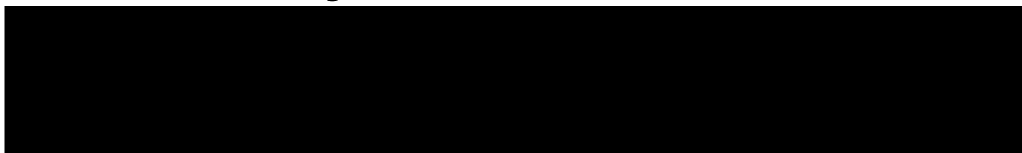
The outcome of this medical fee dispute is based on the evidence presented by the requestor and the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has established that additional reimbursement of $351.86 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 Zurich American Insurance Co must remit to peak Integrated Healthcare $351.86 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	January 9, 2024 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.