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
University Medical Center

Respondent Name
AIU Insurance Co

MFDR Tracking Number
M4-24-0462-01

Carrier's Austin Representative
Box Number 19

DWC Date Received
October 25, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 4-5, 2022[sic]	250	$0.00	$0.00
April 4-5, 2022[sic]	300	$0.00	$0.00
April 4-5, 2022[sic]	301	$0.00	$0.00
April 4-5, 2022[sic]	360	$625.04	$625.04
April 4-5, 2022[sic]	370	$0.00	$0.00
April 4-5, 2022[sic]	636	$0.00	$0.00
April 4-5, 2022[sic]	710	$0.00	$0.00
April 4-5, 2022[sic]	730	$0.00	$0.00
April 4-5, 2022[sic]	761	$0.00	$0.00
	Total	$625.04	$625.04

Requestor's Position

"This bill is an outpatient bill that should be paid per TDI rule 134.403. The carrier received an original bill and paid $4658.00. We sent in an appeal due to an under payment. The carrier has denied additional reimbursement. The payable CPT code is 26123. The payment rate is $2892.28 x wage index of 0.8555 = $5283.04. I show this was underpaid and the carrier owes an additional $625.04, and this is the amount of our dispute."

Amount in Dispute: $625.04

Respondent's Position

"The provider filed a DWC 60 seeking Medical Fee Dispute Resolution for dates of service of April 4 and 5, 2022. However, the dates of service are actually April 4 and April 5, 2023. The provider billed $30,817.90. The provider acknowledged carrier had paid $4,658.00. However, the provider is seeking additional payment of $625.04."

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 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:

- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- TX618 – The value of this procedure is packaged into the payment of other services performed on the same date of service.
- TX370 – This hospital outpatient allowance was calculated according to the APC rate, plus a markup.
- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
- W3 – In accordance with TDI-DWC Rule 134.804, this bill has been identified as a request for reconsideration or appeal.
- TX350 – Bill has been identified as a request for reconsideration or appeal.

Issues

1. What rule is applicable to reimbursement?

2. Is the requester entitled to additional reimbursement?

Findings

1. The requestor is seeking an additional payment for outpatient hospital services rendered on April 4-5, 2023. The dates listed on the submitted DWC60 lists 2022 however, the submitted medical bill, documentation and explanation of benefits indicates April 4 – 5, 2023.

   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 26123 has status indicator J1 AND Procedure code 64721 also has the status indicator of J1. The Medicare Claims processing manual at www.cms.gov, states in pertinent part, "*Claims reporting at least one J1 procedure code will package the following items and services that are not typically packaged under the OPPS: major OPPS procedure codes (status indicators P, S, T, V) lower ranked comprehensive procedure codes (status indicator J1).*" Procedure code 26132 has a ranking of 2,026. Procedure code 64721 has a ranking of 2,783. Procedure code 26132 is the highest ranked and will receive reimbursement.

     This code is assigned APC 5113. The OPPS Addendum A rate is $2,976.66 multiplied by 60% for an unadjusted labor amount of $1,786.00, in turn multiplied by facility wage index 0.8372 for an adjusted labor amount of $1,495.24.

     The non-labor portion is 40% of the APC rate, or $1,190.66.

     The sum of the labor and non-labor portions is $2,685.90.

The Medicare facility specific amount is $2,685.90 multiplied by 200% for a MAR of $5,371.80.

The MAR is $5,371.80 minus the carrier payment of $4,658.00 = $713.80.

2. The total recommended reimbursement for the disputed services is $5,371.80. The insurance carrier paid $4,658.00. The requestor is seeking an additional reimbursement of $625.04. 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 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 AIU Insurance Co must remit to University Medical Center $625.04 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

		November 27, 2023
Signature	Medical Fee Dispute Resolution Officer	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.