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
Baylor Surgical Hospital

Respondent Name
Utica Lloyds of Texas

MFDR Tracking Number
M4-24-0714-01

Carrier's Austin Representative
Box Number 47

DWC Date Received
November 27, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
March 23, 2023	29806	$1,411.69	$1,411.69
	Total	$1,411.69	$1,411.69

Requestor's Position

The requestor did not submit a position statement with this request for MFDR. They did submit a document titled "Reconsideration" dated November 17, 2023 that states, "According to TX Workers Compensation fee schedule the expected reimbursement for CPT code 29806 is $26,410.35. Please note that separate reimbursement was not request for CPT code C1713 for implants, and surgical code should be reimbursed at 200% GARR. Previous payment received totaled $23,998.66."

Amount in Dispute: $1,411.69

Respondent's Position

The Austin carrier representative for Utica Lloyds of Texas is Burns Anderson Jury & Brenner LP. The representative was notified of this medical fee dispute on December 5, 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 Texas Administrative Code (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 or denied the disputed service(s) with the following claim adjustment codes.

- 131 – Claim specific negotiated discount.
- 192 - Non standard adjustment code from paper remittance.
- 252 – An attachment /other documentation is required to adjudicate this claim/service.
- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- W1 – Workers' compensation jurisdictional fee schedule adjustment.
- 193 – Workers' compensation jurisdictional fee schedule adjustment.
- W3 – In accordance with TDI-DWC Rule 134.804, this bill has been identified as a request for reconsideration.

Issues

1. What rule is applicable to reimbursement?

2. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor is seeking reimbursement of surgical procedure rendered in an outpatient hospital setting on March 23, 2023. The insurance carrier reduced the disputed service as a

claim specific negotiated discount and fee schedule adjustment. Review of the submitted documentation found insufficient documentation to support a negotiated rate agreement between the two parties. The services in dispute 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 29806 has status indicator J1, for procedures paid at a comprehensive rate. The combination of Code 29806 and 29827 results in a complexity adjustment for the comprehensive procedures that results in APC 5115.

     The OPPS Addendum A rate is $13,048.08. This is multiplied by 60% for an unadjusted labor amount of $7,828.85, in turn multiplied by facility wage index 0.9562 for an adjusted labor amount of $7,485.95.

     The non-labor portion is 40% of the APC rate, or $5,219.23.

     The sum of the labor and non-labor portions is $12,705.18.

     The Medicare facility specific amount is $12,705.18.

     This is multiplied by 200% for a MAR of $25,410.36.

   The total recommended reimbursement for the disputed services is $25,410.36. The insurance carrier paid $23,998.66. The requestor is seeking additional reimbursement of $1,411.69. 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 additional reimbursement for the disputed services. It is ordered that Utica Lloyds of Texas must remit to Baylor Surgical Hospital $1,411.69 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	February 8, 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.