

SOAH DOCKET NO. 454-13-4648.M4
DWC NO. _____

TEXAS MUTUAL INSURANCE COMPANY, Petitioner	§ § § § § § § § § §	BEFORE THE STATE OFFICE
v.		OF
METROPOLITAN METHODIST HOSPITAL, Respondent		ADMINISTRATIVE HEARINGS

DECISION AND ORDER

Texas Mutual Insurance Company (TMIC) challenges the Texas Department of Insurance, Division of Workers' Compensation (DWC) Medical Fee Dispute Resolution Findings and Decision of April 26, 2013 (Decision) ordering TMIC to pay Metropolitan Methodist Hospital (MMH) \$9,011.34 for inpatient hospital surgical services provided to an injured worker during the period January 3, 2012, through January 6, 2012. The Administrative Law Judge (ALJ) finds that TMIC proved the dispute was resolved prior to the issuance of the Decision. Accordingly, TMIC is not required to pay MMH the \$9,011.34 reimbursement ordered by the Decision.

I. JURISDICTION, NOTICE, AND PROCEDURAL HISTORY

MMH provided inpatient hospital surgical services to an injured worker during the period January 3, 2012, through January 6, 2012. Unable to agree with TMIC on reimbursement for the services provided, MMH timely filed a request for Medical Fee Dispute Resolution (MFDR) with DWC on October 15, 2012. In its MFDR request, MMH stated the amount in dispute was \$9,011.34. MMH was in error; the correct amount in dispute was \$12,524.34.

While the fee dispute was pending at DWC, the parties resolved their dispute, and by check dated February 25, 2013, TMIC paid MMH \$12,850.68, a sum that included interest in addition to the principal amount of \$12,524.34. MMH negotiated the check, but it failed to

notify DWC that the fee dispute was resolved and should be dismissed. Unaware of the resolution, DWC issued its Decision. The Decision found the allowable reimbursement for the services provided by MMH was \$12,524.34. However, since MMH requested only \$9,011.34, DWC ordered TMIC to pay MMH \$9,011.34, plus applicable interest, within 30 days of receipt of the Decision.

To protect itself from a subsequent finding that it failed to comply with the Decision, TMIC timely requested a hearing before the State Office of Administrative Hearings (SOAH) to contest the Decision. A hearing convened before ALJ Howard S. Seitzman on August 5, 2013, at SOAH's facilities in Austin, Texas. TMIC appeared and was represented by attorney Bryan W. Jones. MMH failed to appear. The record closed upon conclusion of the hearing on August 5, 2013.

II. DISCUSSION

A. Analysis

Based upon the uncontroverted evidence, the fee dispute between MMH and TMIC was resolved in late-February, and there was no live controversy pending at the time DWC issued its Decision. Pursuant to 28 Texas Administrative Code § 133.307(e), MMH should have notified DWC that it had resolved its dispute with TMIC and withdrawn its request for fee dispute resolution, but it failed to do so. The issue at SOAH is whether TMIC must comply with the Decision by paying MMH \$9,011.34, plus applicable interest. Because the parties have fully resolved their controversy, TMIC is not required to comply with the Decision. Compelling compliance with the Decision would unjustly reward MMH for the services provided to the injured worker and violate Texas Labor Code § 413.011.

B. Conclusion

MMH is not entitled to additional reimbursement from TMIC for the services provided to the injured worker.

III. FINDINGS OF FACT

1. Metropolitan Methodist Hospital (MMH) provided inpatient hospital surgical services to an injured worker during the period January 3, 2012, through January 6, 2012. Texas Mutual Insurance Company (TMIC) was the responsible workers' compensation insurer.
2. Unable to agree with TMIC on reimbursement for the services provided, MMH timely filed a request for Medical Fee Dispute Resolution (MFDR) with the Texas Department of Insurance, Division of Workers' Compensation (DWC) on October 15, 2012. In its MFDR request, MMH stated the amount in dispute was \$9,011.34. MMH was in error; the correct amount in dispute was \$12,524.34.
3. While the fee dispute was pending at DWC, the parties resolved their dispute, and by check dated February 25, 2013, TMIC paid MMH \$12,850.68, a sum that included interest in addition to the principal amount of \$12,524.34.
4. MMH negotiated the check, but it failed to notify DWC that the fee dispute was resolved and should be dismissed.
5. Unaware of the resolution, DWC issued its Medical Fee Dispute Resolution Findings and Decision on April 26, 2013 (Decision).
6. The Decision found the allowable reimbursement for the services provided by MMH was \$12,524.34. However, since MMH requested only \$9,011.34, DWC ordered TMIC to pay MMH \$9,011.34, plus applicable interest, within 30 days of receipt of the Decision.
7. TMIC timely requested a hearing before the State Office of Administrative Hearings (SOAH) to contest the Decision.
8. A Notice of Hearing informed the parties of the date, time, and location of the hearing; the matters to be considered; the legal authority under which the hearing would be held; and the statutory provisions applicable to the matters to be considered.
9. A hearing convened before Administrative Law Judge Howard S. Seitzman on August 5, 2013, at SOAH's facilities in Austin, Texas. TMIC appeared and was represented by attorney Bryan W. Jones. MMH failed to appear. The record closed upon conclusion of the hearing on August 5, 2013.
10. MMH is not entitled to additional reimbursement from TMIC for the services provided to the injured worker.

IV. CONCLUSIONS OF LAW

1. The State Office of Administrative Hearings has jurisdiction over this proceeding, including the authority to issue a decision and order, pursuant to Texas Labor Code § 413.031 and Texas Government Code ch. 2003.

2. Adequate and timely notice of the hearing was provided in accordance with Texas Government Code §§ 2001.051 and 2001.052.
3. The parties settled their fee dispute prior to the issuance of the Decision and pursuant to 28 Texas Administrative Code § 133.307(e), MMH should have notified DWC that it had resolved its dispute with TMIC and withdrawn its request for fee dispute resolution.
4. TMIC had the burden of proving by a preponderance of the evidence that MMH was not entitled to additional reimbursement.
5. TMIC proved by a preponderance of the evidence that MMH is not entitled to additional reimbursement from TMIC for the services provided to the injured worker.
6. Compelling TMIC to comply with the Decision would unjustly reward MMH for the services provided to the injured worker and violate Texas Labor Code § 413.011.
7. MMH is not entitled to additional reimbursement from TMIC for the services provided to the injured worker.

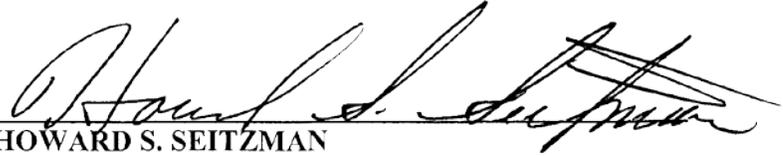
ORDER

IT IS ORDERED that Metropolitan Methodist Hospital is not entitled to additional reimbursement from Texas Mutual Insurance Company for the services provided to the injured worker.

NONPREVAILING PARTY DETERMINATION

Texas Labor Code § 413.0312(g) and 28 Texas Administrative Code § 133.307(h) require the nonprevailing party to reimburse DWC for the cost of services provided by SOAH. Texas Labor Code § 413.0312(i) requires SOAH to identify the nonprevailing party and any costs for services provide by SOAH in its final decision. For purposes of Texas Labor Code § 413.0312, MMH is the nonprevailing party. The costs associated with this decision are set forth in Attachment A to this Decision and Order and are incorporated herein for all purposes.

SIGNED August 19, 2013.

A handwritten signature in black ink, appearing to read "Howard S. Seitzman", written over a horizontal line.

**HOWARD S. SEITZMAN
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS**