



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Magnolia Strong Group, Inc.

Respondent Name

American States Insurance Company

MFDR Tracking Number

M4-15-1963-01

Carrier's Austin Representative

Box Number 01

MFDR Date Received

March 2, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Our office received denials for dates of service 04/25/2014 and 04/28/2014 stating the claim lacked information. The HCFAs submitted had all the correct and required information needed for processing but the HCFAs in the carrier's system had not been scanned properly. Date of service 04/28/2014 was processed outside the TAC 45-day timelimit. We resubmitted the claims as corrected and included a reconsideration letter for both dates of service. Date of service was 04/25/2014 was denied as a duplicate even though all the documentation was noted a corrected claim and the mentioned reconsideration letter was attached. No correspondence was received on date of service 04/28/2014. I sent another letter dated 10/22/2014 as an appeal. I spoke with a customer service representative on 11/14/2014 and they had not received any appeals or reconsideration.

At this time we request payment in full for these dates of service as well as interest..."

Amount in Dispute: \$560.00

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: The Division placed a copy of the Medical Fee Dispute Resolution request in the insurance carrier's Austin representative box, which was acknowledged received on March 10, 2015. Per 28 Texas Administrative Code §133.307(d)(1), "The response will be deemed timely if received by the division via mail service, personal delivery, or facsimile within 14 calendar days after the date the respondent received the copy of the requestor's dispute. If the division does not receive the response information within 14 calendar days of the dispute notification, then the division may base its decision on the available information." The insurance carrier did not submit any response for consideration in this dispute. Accordingly, this decision is based on the information available at the time of review.

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
April 25 & 28, 2014	Occupational Therapy (97110, 97140, 97018, & 97014)	\$560.00	\$256.30

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §133.10 defines the information required for medical billing.
3. 28 Texas Administrative Code §134.203 sets out the fee guidelines for billing and reimbursing professional medical services.
4. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
For CPT Codes 97110-GO and 97018-GO-59 for date of service April 25, 2014:
 - 16 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.
 - X160 – This charge denied because an invalid code was submitted on the bill or the bill has missing or invalid required information.
 - 18 – Duplicate claim/service.
 - U301 – This item was previously submitted and reviewed with notification of decision issued to payor, provider (duplicate invoice).For CPT Code 97140-GO-59 for date of service April 25, 2014:
 - 18 – Duplicate claim/service.
 - U301 – This item was previously submitted and reviewed with notification of decision issued to payor, provider (duplicate invoice).For CPT Code 97110-GO for date of service April 28, 2014:
 - 16 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.
 - X160 – This charge denied because an invalid code was submitted on the bill or the bill has missing or invalid required information.No explanation of benefits found in submitted documentation for CPT Code 97014 on date of service April 28, 2014.

Issues

1. Are the insurance carrier's reasons for denial or reduction of payment supported?
2. Did the requestor support the dispute for CPT Code 97014, date of service April 28, 2014?
3. What is the correct Maximum Allowable Reimbursement (MAR) for the disputed services?
4. Is the requestor entitled to additional reimbursement?

Findings

1. The insurance carrier denied disputed CPT Codes 97110-GO and 97018-GO-59 with claim adjustment reason code 16 – "Claim/service lacks information or has submission/billing error(s) which is needed for adjudication." 28 Texas Administrative Code §133.10 defines the information required for medical billing. Review of the submitted information finds that the information on the CMS-1500's for both dates of service met the guidelines for this rule. The insurance carrier's denial for this reason is not supported.

The insurance carrier also denied the same services with claim adjustment reason code X160 – "This charge denied because an invalid code was submitted on the bill or the bill has missing or invalid required information." 28 Texas Administrative Code §134.203 (b) states, "For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules."

CPT Code 97110-GO is defined as "Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility," identified as occupational

therapy. Therefore, this is a valid code for the dates of service in question. The insurance carrier's denial for this reason for this CPT Code is not supported.

CPT Code 97018-GO-59 is defined as "Application of a modality to 1 or more areas; paraffin bath," identified as occupational therapy and a distinct procedural service from other codes billed the same day. Therefore, this is a valid code for the date of service in question. The insurance carrier's denial for this reason for this CPT Code is not supported.

CPT Code 97140-GP-59 is defined as "Manual therapy techniques (eg, mobilization/ manipulation, manual lymphatic drainage, manual traction), 1 or more regions, each 15 minutes," identified as occupational therapy and a distinct procedural service from other codes billed the same day. Therefore, this is a valid code for the date of service in question. The insurance carrier's denial for this reason for this CPT Code is not supported.

These disputed services will therefore be reviewed per applicable Division rules and fee guidelines.

2. The requestor is seeking reimbursement for CPT Code 97014 for date of service April 28, 2014. 28 Texas Administrative Code §133.307 (c)(2) states, in relevant part, "The request shall include: (J) a paper copy of all medical bill(s) related to the dispute, as originally submitted to the insurance carrier in accordance with this chapter and a paper copy of all medical bill(s) submitted to the insurance carrier for an appeal in accordance with §133.250 of this chapter (relating to General Medical Provisions); (K) a paper copy of each explanation of benefits (EOB) related to the dispute as originally submitted to the health care provider in accordance with this chapter or, if no EOB was received, convincing documentation providing evidence of insurance carrier receipt of the request for an EOB; (M) a copy of all applicable medical records related to the dates of service in dispute." Review of the submitted documentation does not find any of the required information listed above. Therefore, the requestor did not support the dispute for CPT Code 97014, date of service April 28, 2014.
3. Procedure code 97110, service date April 25, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 0.987 is 0.43428. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.89317 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$49.79. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$49.79. The PE reduced rate is \$37.69. The total is \$87.48.

Per Medicare policy, procedure code 97140, service date April 25, 2014, may not be reported with the procedure code for another service billed on this same claim. A modifier is allowed in order to differentiate between the services provided. Separate payment for the services billed may be justified if a modifier is used appropriately. The provider billed the disputed service with an appropriate modifier. Separate payment is allowed. Procedure code 97140 represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.43086. The practice expense (PE) RVU of 0.4 multiplied by the PE GPCI of 0.987 is 0.3948. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.83365 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$46.48. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$35.47.

Per Medicare policy, procedure code 97018, service date April 25, 2014, may not be reported with the procedure code for another service billed on this same claim. A modifier is allowed in order to differentiate

between the services provided. Separate payment for the services billed may be justified if a modifier is used appropriately. The provider billed the disputed service with an appropriate modifier. Separate payment is allowed. Procedure code 97018 represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.06 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.06012. The practice expense (PE) RVU of 0.24 multiplied by the PE GPCI of 0.987 is 0.23688. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.30499 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$17.00. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$10.40.

Procedure code 97110, service date April 28, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 0.987 is 0.43428. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.89317 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$49.79. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$49.79. The PE reduced rate is \$37.69. The total is \$87.48.

Per Medicare policy, procedure code 97140, service date April 28, 2014, may not be reported with the procedure code for another service billed on this same claim. A modifier is allowed in order to differentiate between the services provided. Separate payment for the services billed may be justified if a modifier is used appropriately. The provider billed the disputed service with an appropriate modifier. Separate payment is allowed. Procedure code 97140 represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.43086. The practice expense (PE) RVU of 0.4 multiplied by the PE GPCI of 0.987 is 0.3948. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.83365 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$46.48. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$35.47.

4. The total allowable for the disputed services is \$256.30. The insurance carrier paid \$0.00. Therefore, an additional reimbursement of \$256.30 is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$256.30.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$256.30 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

_____	<u>Laurie Garnes</u>	<u>May 27, 2015</u>
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 in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.