



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

Texas Health Flower Mound

Respondent Name

American Casualty Co of Reading PA

MFDR Tracking Number

M4-18-3464-01

Carrier's Austin Representative

Box Number 57

MFDR Date Received

May 18, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The initial bill and reconsideration have been underpaid. We are seeking fee schedule reimbursement for these therapy visits."

Amount in Dispute: \$290.08

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Carrier respectfully requests an order of no additional reimbursement due as the bills were properly audited and reimbursed in compliance with the Texas Labor Code and the Administrative Rules."

Response Submitted by: Brian J. Judis

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Row 1: February 6 -27, 2018, Outpatient Therapy Services, \$290.08, \$0.00

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 §134.403 sets out the reimbursement guidelines for outpatient hospital services.
3. 28 Texas Administrative Code §134.203 sets out the reimbursement guidelines for professional medical

services.

4. 28 Texas Administrative Code §134.600 sets out the guidelines for prior authorization.
5. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 97 – Per NCCI, the procedure code is denied
 - P300 – The amount paid reflects a fee schedule reduction
 - 198 – Number of Occurrences on Authorization record has been exceeded

Issues

1. Is the carrier's reduction of payment supported?
2. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor is seeking additional reimbursement for outpatient therapy services performed on February 6 – 27, 2018. The carrier denied Code 97110 and 97112 for date of service February 27, 2018 as MA04 – “Number of occurrences on authorization record has been exceeded” and Code 97530 for date of service February 6, 2018 as MX78 – “Per NCCI the procedure code is denied.” Each of these denials are discussed below.
2. 28 Texas Administrative Code 134.403 is the rule applicable to outpatient hospital service and sections listed below are specific to Division rules and the calculation of the applicable fee:

(d) For coding, billing, reporting, and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided

(f) 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.

(h) For medical services provided in an outpatient acute care hospital, but not addressed in the Medicare payment policies as outlined in subsections (f)(1) or (f)(2) of this section, and for which Medicare reimburses using other Medicare fee schedules, reimbursement shall be made using the applicable Division Fee Guideline in effect for that service on the date the service was provided.

The OPPS reimbursement formula factors are found at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html>. The specific factor is the Status Indicators. The status indicator for each of the HCPCS code listed on the DWC060 have an “A” status indicator which is defined as, “Not paid under OPPS. Paid by MACs under a fee schedule or payment system other than OPPS.”

Based on the requirements of 28 Texas Administrative Code 134.403 (h) the applicable Division fee Guideline is found in 28 Texas Administrative Code §134.203.

On April 1st of 2013, Medicare implemented the Medicare Multiple Procedure Payment Reduction (MPPR). The MPPR policy may be found in the CMS Claims Processing Manual 100-04, Chapter 5, section 10.7 found at www.cms.gov. The MPPR policy applies therefore the carrier's reduction does apply and was used in the calculation of the maximum allowable reimbursement shown below.

3. 28 Texas Administrative Code §134.203 (c) To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications.

The MAR is calculated by the DWC Conversion Factor/Medicare Conversion Factor multiplied by the Medicare allowable. The calculation is as follows:

- Procedure code 97110, billed February 6, 2018 has a PE of 0.4 not the highest for this date and will be paid at the reduced allowable of \$23.53. $58.31/35.9996 \times \$23.53 = \38.11 .

- Procedure code 97112, billed February 6, 2018 has a PE of 0.47 the highest for this date and will be paid at the full allowable of \$34.44. $58.31/35.9996 \times \$34.44 = \55.78 .
- Procedure code 97140, billed February 6, 2018 has a PE of 0.35 not the highest for this date and will be paid at the reduced allowable of \$21.68. $53.31/35.9996 \times \$21.68 = \35.12 .
- Procedure code 97530, billed February 6, 2018 the carrier denied as MX78 – “Per NCCI, the procedure code is denied.” 28 Texas Administrative Code 134.203 (b) states in pertinent part, “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

Review of the NCCI edits found at www.cms.gov, finds edits exist between 97530/97110 and 97530/97112. The carrier’s denial is supported.

- Procedure code 97110, billed February 8, 2018 for two units has a PE of 0.4 not the highest for this date and will be paid at the reduced allowable of \$23.53. $58.31/35.9996 \times \$23.53 \times 2 = \76.22 .
- Procedure code 97112, billed February 8, 2018 has a PE of 0.47 not the highest for this date and will be paid at the reduced allowable of \$26.51. $58.31/35.9996 \times \$26.51 = \42.95 .
- Procedure code 97530, billed February 8, 2018 has a PE of 0.69 the highest for this date and will be paid at the full allowable of \$39.71. $58.31/35.9996 \times \$39.71 = \64.33 .
- Procedure code 97110, billed February 13, 2018 has a PE of 0.4 not the highest for this date and will be paid at the reduced allowable of \$23.53. $58.31/36.9996 \times \$23.53 = \38.11 .
- Procedure code 97112, billed February 13, 2018 has a PE of 0.47 not the highest for this date and will be paid at the reduced allowable of \$26.51. $58.31/35.9996 \times \$26.51 = \42.95 .
- Procedure code 97530, billed February 13, 2018 has a PE of 0.69 the highest for this date and will be paid at the full allowable of \$39.71. $58.31/35.9996 \times \$39.71 = \64.33 .
- Procedure code 97110, billed February 15, 2018 has a PE of 0.4 not the highest for this date of service and will be paid at the reduced allowable of \$23.53. $58.31/36.9996 \times \$23/53 = \38.11 .
- Procedure code 97112, billed February 15, 2018 has a PE of 0.47 not the highest for this date and will be paid at the reduced allowable of \$26.51. $58.31/35.9996 \times \$26.51 = \42.95 .
- Procedure code 97530, billed February 15, 2018 has a PE of 0.69 the highest for this date and will be paid at the full allowable of \$39.71. $58.31/35.9996 \times \$39.71 = \64.33 .
- Procedure code 97110, billed February 19, 2018 has a PE of 0.4 not the highest for this date of service and will be paid at the reduced allowable of \$23.53. $58.31/36.9996 \times \$23/53 = \38.11 .
- Procedure code 97112, billed February 19, 2018 has a PE of 0.47 the highest for this date and will be paid at the full allowable of \$34.44. $58.31/36.9996 \times \$34.44 = \55.79 .
- Procedure code 97110, billed February 27, 2018 the carrier denied as 198 – “Number of occurrences on authorization record has been exceeded.” 28 Texas Administrative Code 134.600 (p) (5) physical and occupational therapy services, which includes those services listed in the Healthcare Common Procedure Coding System (HCPCS) at the following levels: (A) Level I code range for Physical Medicine and Rehabilitation. Review of the submitted documentation found no copy of authorization. The carrier’s denial is supported.
- Procedure code 97112, billed February 27, 2018 the carrier denied as 198 – “Number of occurrences on authorization record has been exceeded.” 28 Texas Administrative Code 134.600 (p) (5) physical and occupational therapy services, which includes those services listed in the Healthcare Common Procedure Coding System (HCPCS) at the following levels: (A) Level I code range for Physical Medicine and Rehabilitation. Review of the submitted documentation found no copy of authorization. The carrier’s denial is supported.

- Procedure code 97530, billed February 27, 2018 has a PE of 0.69 the highest for this date and will be paid at the full allowable of \$39.71. $58.31/35.9996 \times \$39.71 = \64.33 .

The total allowable reimbursement for the services in dispute is \$761.52. The carrier paid \$870.89.

No additional payment is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031, the division hereby determines the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature

_____	_____	August 10, 2018
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 Rule §133.307, effective May 31, 2012, *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. **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.