



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

DOCTORS HOSPITAL AT RENAISSANCE

Respondent Name

MCALLEN INDEPENDENT SCHOOL DISTRICT

MFDR Tracking Number

M4-18-4129-01

Carrier's Austin Representative

Box Number 29

MFDR Date Received

June 26, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "reimbursement received was inaccurate. Based on CPT Code 97110, allowed amount of \$1,004.88, multiplied at 200%, CPT Code 97530, allowed amount of \$359.20, multiplied at 200%"

Amount in Dispute: \$1,307.12

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Carrier will stand on the denial/reduction of the charge made the basis of this medical fee dispute."

Response Submitted by: Dean G. Pappas, PLLC

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Dispute Amount, Amount Due. Row 1: February 1, 2018 to February 16, 2018, Outpatient Facility Services – Physical Therapy, \$1,307.12, \$8.16

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 hospital facility fee guideline for outpatient services.
3. 28 Texas Administrative Code §134.203 sets out the fee guideline for professional medical services.
4. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
- 59 – Processed based on multiple or concurrent procedure rules.
- P5 - Based on payer reasonable and customary fees. No maximum allowable defined by legislated fee arrangement.
- 246 – This non-payable code is for required reporting only.
- W3 – Reconsideration/Appeal.

Issues

1. What is the recommended payment for the services in dispute?
2. Is the requestor entitled to additional reimbursement?

Findings

1. This dispute regards physical therapy services performed in an outpatient hospital facility setting. Such services are not paid under Medicare's Outpatient Prospective Payment System but rather under Medicare's Physician Fee Schedule for professional services.

Rule §134.403(h) requires that if Medicare pays using other Medicare fee schedules, reimbursement shall be made using the DWC fee guideline applicable to the code on the date the service was provided. Accordingly, payment for these services is calculated under the DWC Medical Fee Guideline for Professional Services, Rule §134.203(c).

Medicare assigns each service a relative value unit (RVU) for work, practice expense and malpractice. The RVUs are adjusted by provider geographic practice cost indexes (GPCI). The Medicare fee is the sum of these values multiplied by a conversion factor. The maximum allowable reimbursement (MAR) is calculated by substituting the DWC conversion factor. The applicable division conversion factor for calendar year 2018 is \$58.31.

Per Medicare payment policy, when more than one unit is billed of therapy services with multiple procedure payment indicator '5', the first unit of the therapy with the highest practice expense for that day is paid in full. Payment is reduced by 50% of the practice expense (PE) for each extra therapy unit performed on that date.

Reimbursement for the disputed services is calculated as follows:

- Procedure code 97110, February 1, 2018, has a Work RVU of 0.45 multiplied by the Work GPCI of 1 is 0.45. The practice expense RVU of 0.4 multiplied by the PE GPCI of 0.938 is 0.3752. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 0.84112 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$49.05. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. practice expense for that day. The PE for this code is not the highest. The PE reduced rate is \$38.11 at 3 units is \$114.33.
- Procedure code 97530, February 1, 2018, has a Work RVU of 0.44 multiplied by the Work GPCI of 1 is 0.44. The practice expense RVU of 0.69 multiplied by the PE GPCI of 0.938 is 0.64722. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 1.10314 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$64.32. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. This code has the highest PE. The first unit is paid at \$64.32.
- Procedure code 97110, February 2, 2018, has a Work RVU of 0.45 multiplied by the Work GPCI of 1 is 0.45. The practice expense RVU of 0.4 multiplied by the PE GPCI of 0.938 is 0.3752. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 0.84112 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$49.05. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. The PE for this code is not the highest. The PE reduced rate is \$38.11 at 3 units is \$114.33.
- Procedure code 97530, February 2, 2018, has a Work RVU of 0.44 multiplied by the Work GPCI of 1 is 0.44. The practice expense RVU of 0.69 multiplied by the PE GPCI of 0.938 is 0.64722. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 1.10314 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$64.32. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. This code has the highest PE. The first unit is paid at \$64.32.
- Procedure code 97110, February 6, 2018, has a Work RVU of 0.45 multiplied by the Work GPCI of 1 is 0.45. The practice expense RVU of 0.4 multiplied by the PE GPCI of 0.938 is 0.3752. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 0.84112 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$49.05. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. The PE for this code is not the highest. The PE reduced rate is \$38.11 at 3 units is \$114.33.

- Procedure code 97530, February 6, 2018, has a Work RVU of 0.44 multiplied by the Work GPCI of 1 is 0.44. The practice expense RVU of 0.69 multiplied by the PE GPCI of 0.938 is 0.64722. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 1.10314 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$64.32. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. This code has the highest PE. The first unit is paid at \$64.32.
- Procedure code 97110, February 7, 2018, has a Work RVU of 0.45 multiplied by the Work GPCI of 1 is 0.45. The practice expense RVU of 0.4 multiplied by the PE GPCI of 0.938 is 0.3752. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 0.84112 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$49.05. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. The PE for this code is not the highest. The PE reduced rate is \$38.11 at 3 units is \$114.33.
- Procedure code 97530, February 7, 2018, has a Work RVU of 0.44 multiplied by the Work GPCI of 1 is 0.44. The practice expense RVU of 0.69 multiplied by the PE GPCI of 0.938 is 0.64722. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 1.10314 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$64.32. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. This code has the highest PE. The first unit is paid at \$64.32.
- Procedure code 97110, February 9, 2018, has a Work RVU of 0.45 multiplied by the Work GPCI of 1 is 0.45. The practice expense RVU of 0.4 multiplied by the PE GPCI of 0.938 is 0.3752. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 0.84112 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$49.05. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. The PE for this code is not the highest. The PE reduced rate is \$38.11 at 3 units is \$114.33.
- Procedure code 97530, February 9, 2018, has a Work RVU of 0.44 multiplied by the Work GPCI of 1 is 0.44. The practice expense RVU of 0.69 multiplied by the PE GPCI of 0.938 is 0.64722. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 1.10314 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$64.32. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. This code has the highest PE. The first unit is paid at \$64.32.
- Procedure code 97110, February 12, 2018, has a Work RVU of 0.45 multiplied by the Work GPCI of 1 is 0.45. The practice expense RVU of 0.4 multiplied by the PE GPCI of 0.938 is 0.3752. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 0.84112 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$49.05. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. The PE for this code is not the highest. The PE reduced rate is \$38.11 at 3 units is \$114.33.
- Procedure code 97530, February 12, 2018, has a Work RVU of 0.44 multiplied by the Work GPCI of 1 is 0.44. The practice expense RVU of 0.69 multiplied by the PE GPCI of 0.938 is 0.64722. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 1.10314 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$64.32. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. This code has the highest PE. The first unit is paid at \$64.32.
- Procedure code 97110, February 14, 2018, has a Work RVU of 0.45 multiplied by the Work GPCI of 1 is 0.45. The practice expense RVU of 0.4 multiplied by the PE GPCI of 0.938 is 0.3752. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 0.84112 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$49.05. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. The PE for this code is not the highest. The PE reduced rate is \$38.11 at 3 units is \$114.33.

- Procedure code 97530, February 14, 2018, has a Work RVU of 0.44 multiplied by the Work GPCI of 1 is 0.44. The practice expense RVU of 0.69 multiplied by the PE GPCI of 0.938 is 0.64722. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 1.10314 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$64.32. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. This code has the highest PE. The first unit is paid at \$64.32.
- Procedure code 97110, February 16, 2018, has a Work RVU of 0.45 multiplied by the Work GPCI of 1 is 0.45. The practice expense RVU of 0.4 multiplied by the PE GPCI of 0.938 is 0.3752. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 0.84112 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$49.05. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. The PE for this code is not the highest. The PE reduced rate is \$38.11 at 3 units is \$114.33.
- Procedure code 97530, February 16, 2018, has a Work RVU of 0.44 multiplied by the Work GPCI of 1 is 0.44. The practice expense RVU of 0.69 multiplied by the PE GPCI of 0.938 is 0.64722. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.796 is 0.01592. The sum is 1.10314 multiplied by the DWC conversion factor of \$58.31 for a MAR of \$64.32. Payment is reduced by 50% of the practice expense for each extra therapy unit after the first unit of the code with the highest practice expense for that day. This code has the highest PE. The first unit is paid at \$64.32.

2. The total MAR (maximum allowable reimbursement) for the services in dispute is \$1,429.20. The insurance carrier previously paid \$1,421.04. The amount due to the requestor is \$8.16.

Conclusion

For the reasons stated above, the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$8.16.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the division has determined the requestor is entitled to additional reimbursement for the disputed services. The division hereby ORDERS the respondent to remit to the requestor \$8.16, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

_____	Grayson Richardson	August 17, 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. 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 form’s instructions. 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 on the form, or to the field office handling the claim. A party seeking review of this decision must deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed. The request must include a copy of this *Medical Fee Dispute 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.