



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 Arlington

Respondent Name

Church Mutual Insurance Co

MFDR Tracking Number

M4-18-4419-01

Carrier's Austin Representative

Box Number 17

MFDR Date Received

July 20, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The purpose of this letter is to inform you that payment for services provided to the above referenced patient does not comply with Chapters 134.043 and 134.404 of Texas Administrative Code."

Amount in Dispute: \$1,565.89

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Carrier has submitted the medical bills in dispute for review, and an additional payment is forthcoming."

Response Submitted by: Downs Stanford PC

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
November 15 – 30, 2017	Outpatient Therapy Services	\$1,565.89	\$722.00

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

- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
- 28 Texas Administrative Code §134.403 sets out the fee guidelines for outpatient services.
- 28 Texas Administrative Code §134.203 sets out the guidelines for professional medical services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - P12 – Workers' compensation jurisdictional fee schedule adjustment

- 236 – This procedure or procedure/modifier combination is not compatible with another procedure or procedure/modifier combination provided on the same day according to the NCCI or workers compensation state regulations/fee schedule requirements
- 284 – No allowance was recommended as this procedure has a Medicare status of ‘B’ (bundled)
- 356 – This outpatient allowance was based on the Medicare’s methodology (Part B) plus the Texas markup
- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated

Issues

1. What rule is applicable to reimbursement?
2. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor is seeking additional reimbursement for outpatient therapy services performed from November 15 – 30, 2017. The carrier reduced the allowed amount as P12 – “Workers’ compensation jurisdictional fee schedule adjustment.”

The applicable Division Rule is found in 28 Texas Administrative Code 134.403. The applicable sections are listed below:

(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 97110, 97140, and 97164 is “A” which is defined as, “Not paid under OPPS. Paid by MACs under a fee schedule or payment system other than OPPS.” Procedure code 97010 has a status indicator of “B” whose definition is “Not paid under 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. Based on the requirements of 28 Texas Administrative Code 134.403 (d) the MPPR policy applies and was used in the calculation of the maximum allowable reimbursement shown below.

2. 28 Texas Administrative Code §134.203 (c) (1) states in pertinent part,

To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications.

(1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an

office setting, the established conversion factor to be applied is (date of service annual conversion factor)

The MAR is calculated by the DWC Conversion Factor of 58.31/Medicare Conversion Factor 35.9996 multiplied by the Medicare allowable. To ensure the appropriate application of the MPPR reductions all services billed for each date will be calculated. The calculation is as follows:

- Procedure code 97010GP, billed November 15, 2017 is considered bundled no separate payment
- Procedure code 97140GP, billed November 15, 2017, has a PE of 0.41 not the highest for this date and will be paid at the reduced rate of \$22.56. $58.31/35.9996 \times \$22.46 = \36.54
- Procedure code 97164GP, billed November 15, 2017. The carrier denied as 236 – “This procedure or procedure modifier combination is not compatible with another procedure or procedure/modifier combination provided on the same day according to the NCCI or workers compensation state regulations/fee schedule requirements.” Review of the NCCI edits found at www.cms.gov, confirms that 97164 has an edit with codes 97110 and 97140. The carrier’s denial is supported. No additional payment is recommended.
- Procedure code 97010GO, billed November 15, 2017 is considered bundled no separate payment
- Procedure code 97110GO, billed November 15, 2017 for three units has a PE of 0.45 the highest for this date. The first unit will be paid at the full allowable of \$31.73 and the remaining units at the reduced allowable of \$24.23. $58.31/35.9996 \times 31.73 = \51.39 . $58.31/35.9996 \times \$24.23 \times 2 = \78.49 . $\$51.39 + \$78.49 = \$129.88$
- Procedure code 97010GO, billed November 16, 2017 is considered bundled no separate payment
- Procedure code 97110GO, billed November 16, 2017 for two units was the only service billed on this date of service. The first unit is paid at the full allowable of \$31.73. The second unit at the reduced allowable of \$24.23. $58.31/35.9996 \times \$31.73 = \51.39 . $58.31/35.9996 \times 24.23 = \39.25 . $\$51.39 + \$39.25 = \$90.64$
- Procedure code 97110GP, billed November 17, 2017 for two units has a PE of 0.45. The highest for this date of service. The first unit is paid at the full allowable of \$31.73. The second unit at the reduced allowable of \$24.23. $58.31/35.9996 \times \$31.73 = \51.39 . $58.31/35.9996 \times 24.23 = \39.25 . $\$51.39 + \$39.25 = \$90.64$
- Procedure code 97140GP, billed November 17, 2017 has a PE of 0.41 not the highest for this date and will be paid at the reduced allowable of \$22.56. $58.31/35.9996 \times \$22.56 = \36.54
- Procedure code 97010GO, billed November 17, 2017 is considered bundled no separate payment
- Procedure code 97110GO, billed November 17, 2017 for two units both units will be paid at the reduced allowable of \$24.23. $58.31/35.9996 \times \$24.23 \times 2 = \78.49 .
- Procedure code 97140GO, billed November 17, 2017 will be paid at the reduced allowable of \$22.56. $58.31/35.9996 \times \$22.56 = \36.54
- Procedure code 97010GO, billed November 20, 2017 is considered bundled no separate payment
- Procedure code 97110GO, billed November 20, 2017 for three units is the only service billed for this date. The first unit will be paid at the full allowable of \$31.73. The second and third unit at the reduced allowable of \$24.23. $58.31/35.9996 \times 31.73 = \51.39 . $58.31/35.9996 \times \$24.23 \times 2 = \78.49 . $\$51.39 + \$78.49 = \$129.88$

- Procedure code 97010GO, billed November 21, 2017 is considered bundled no separate payment
- Procedure code 97110GO, billed November 21, 2017 has a PE of 0.45 the highest for this date and will be paid at the full allowable of \$31.73. $58.31/35.9996 \times \$31.73 = \51.39
- Procedure code 97140GO, billed November 21, 2017 has a PE of 0.41 not the highest for this date and will be paid at the reduced rate of \$22.56. $58.31/35.9996 \times \$22.56 = \36.54
- Procedure code 97110GP, billed November 22, 2017 for two units has a PE of 0.45 the highest for this date. The first unit will be paid at \$31.73. The second unit at the reduced allowable of \$24.23. $58.31/35.9996 \times \$31.73 = \51.39 . $58.31/35.9996 \times 24.23 = \39.25 . $\$51.39 + \$39.25 = \$90.64$
- Procedure code 97140GP, billed November 22, 2017 has a PE of 0.41 not the highest for this date and will be paid at the reduced rate of \$22.56. $58.31/35.9996 \times \$22.56 = \36.54
- Procedure code 97010GO, billed November 27, 2017 is considered bundled no separate payment
- Procedure code 97110GO, billed November 27, 2017 for three units for three units is the only service billed for this date. The first unit will be paid at the full allowable of \$31.73. The second and third unit at the reduced allowable of \$24.23. $58.31/35.9996 \times 31.73 = \51.39 . $58.31/35.9996 \times \$24.23 \times 2 = \78.49 . $\$51.39 + \$78.49 = \$129.88$
- Procedure code 97010GO, billed November 28, 2017 is considered bundled no separate payment
- Procedure code 97110GO, billed November 28, 2017 for two units has a PE of 0.45 the highest for this date. The first unit will be paid at \$31.73. The second unit at the reduced allowable of \$24.23. $58.31/35.9996 \times \$31.73 = \51.39 . $58.31/35.9996 \times 24.23 = \39.25 . $\$51.39 + \$39.25 = \$90.64$
- Procedure code 97140GO, billed November 28, 2017 has a PE of 0.41 not the highest for this date and will be paid at the reduced rate of \$22.56. $58.31/35.9996 \times \$22.56 = \36.54
- Procedure code 97010GO, billed November 29, 2017 is considered bundled no separate payment
- Procedure code 97110GO, billed November 29, 2017 was the only service billed for this date of service and will be paid at the full allowable of \$31.73. $58.31/35.9996 \times \$31.73 = \51.39
- Procedure code 97010GO, billed November 30, 2017 is considered bundled no separate payment
- Procedure code 97110GO, billed November 30, 2017 was the only service billed for this date of service and will be paid at the full allowable of \$31.73. $58.31/35.9996 \times \$31.73 = \51.39

The total allowed amount is \$1,204.15. The carrier paid \$482.15. Leaving a payment due of \$722.00.

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 \$722.00.

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 \$722.00, plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this order.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

September 19, 2018
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.