



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Providence Sierra

Respondent Name

Sompo America Insurance Co

MFDR Tracking Number

M4-24-0922-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

December 29, 2023

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
January 6, 2023	0250	\$706.00	0.00
	0278	\$13447.20	0.00
	0300	\$252.00	0.00
	0360	\$55045.00	\$0.00
	0370	\$9440.00	0.00
	0636	\$3452.00	0.00
	0710	\$7894.00	0.00
	0730	\$854.00	0.00
	WC ADJUSTMENTS	\$-78947.60	
	Total	\$12,142.60	\$0.00

Requestor's Position

"The Hospital's records reflect the patient was injured in work related injury. The Hospital provided the medically necessary services on the above dates of service. The Hospital billed Gallagher Bassett, but the bill was denied. However, despite the Hospital's efforts and Request for Reconsideration, Gallagher Bassett has not rendered payment."

Supplemental response February 26, 2024

"I have reviewed the file. A payment in the amount of \$2,679.12 was paid this month (February

2024), however the client's expected amount before this payment was \$12,142.60. Currently, my client considers this to be underpaid with an amount of \$9,463.48 still due."

Supplemental response submitted March 13, 2024, by Sullins, Johnston, Rohrback & Magers

"I do not believe the statement needs clarification. My client has not been paid \$12,142.60. Upon payment of the \$12,142.60 I will advise my client to reimburse the \$2,679.12 underpayment."

Supplemental response submitted April 1, 2024, by Sullins, Johnston, Rohrback & Magers

"My client has not received the \$12,142.60. This was explained in the previous email string. You will need to re-issue. No reimbursement will be issued until proper payment is made."

Amount in Dispute: \$12,142.60

Respondent's Position

"As noted above, the carrier is reprocessing the provider's medical bill. If the amount recommended on the upcoming EOB is inconsistent with the provider's position, then we would ask that the Medical Review Division note that the carrier's position is consistent with its latest EOB."

Response submitted by: Flahive, Ogden & Latson

Supplement response March 11, 2024, submitted by Gallagher Bassett

"Upon examination of the file, there were two checks that sent in regards to the medical payment. One was for the settled payment, for a total of \$12,142.60 and that check number is 0194910921. The second check was to cover interest, and was totaled at \$2,679.12, and that check number is 0194945138. It is possible the initial check for the settled payment of \$12,142.60 has not arrived yet, But I am showing both checks have cleared."

Supplemental response submitted March 11, 2024, by Jodi Clark with Gallagher Bassett

"The \$2,679.12 payment was for penalty & interest. The full amount of \$12,142.60 was also paid (via virtual card). If the provider does not want the virtual payment, they will have to call the phone number listed on the notice that came with the virtual payment."

"I forgot to mention initially that the penalty and interest payment was issued in error as there are no penalties or interest for late medical bills in New Mexico unless Judge levies same. Accordingly, we have previously requested reimbursement in the amount of \$2,679.12."

Supplemental response March 13, 2024, by Jodi Clark with Gallagher Bassett

"Your client was paid the \$12,142.60 via Virtual Card, which is immediately negotiable if they follow the instructions that were sent with the card. If they are unable to deposit the funds on the card into their account, they can contact the number listed on the instructions and request that a paper check be mailed to them instead. If you are alleging the funds were not negotiable,

I would need specific details regarding how they attempted to deposit the funds and the response that they received. However, their best course of action would be to contact the number on the correspondence that was sent with the card.”

Findings and Decision

Authority

This medical fee dispute is decided according to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers’ Compensation (DWC).

Statutes and Rules

1. [28 Texas Administrative Code \(TAC\) §133.307](#) sets out the procedures for resolving medical fee disputes.
2. [28 TAC §134.403](#) sets out reimbursement guidelines for outpatient hospital services.

Denial Reasons

- 31065 – This service was not pre-authorized in conformance with TWCC Rule 134.600.
- 5721 – To avoid duplicate bill denial, for all reconsiderations/adjustments/additional payment requests, submit a copy of this EOR or clear notation that a recon is
- 90084/16- Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.
- 5682 – Payment for this charge is not recommended without documentation of cost.
- 90563/193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- B13 – Previously paid. Payment for this claim/service may have been provided in a previous payment.
- 247 – A payment or denial has already been recommended for this service.
- 5406 – CV: Reconsideration. Additional allowance recommended. This bill and submitted documentation have been re-evaluated by clinical validation.

Issues

1. Did the insurance carrier maintain their denial?
2. Did either party produce evidence of payment?
3. What is the rule applicable to reimbursement?
4. Is the requestor entitled to additional reimbursement?

Findings

1. The services in dispute are for outpatient hospital services rendered in January of 2023. The insurance carrier originally denied the claim for lack of pre-authorization but did not maintain this denial. According to Flahive, Ogden, and Latson's, response to MFDR, the payment was expected to be processed.
2. The respondent submitted a document titled "Electronic Payment Clearinghouse" Settlement Certification that indicates under draft 1129131834 that cleared on March 12, 2024, Tenet Hospitals Limited, was paid via virtual card in the amount of \$12,142.60. The maximum allowable reimbursement is calculated below.
3. DWC Rule 28 TAC §134.403 (d) requires Texas workers' compensation system participants when coding, billing, reporting and reimbursement to apply Medicare payment policies in effect on the date of service.

The Medicare payment policy applicable to the services in dispute is found at www.cms.gov, Claims processing Manual, Chapter 4, Section 10.1.1. Specifically, Payment Status Indicators and Ambulatory Payment Category (APC).

DWC Rule 28 TAC §134.403 (e)(2) states in pertinent part, regardless of billed amount, if no contracted fee schedule exists that complies with Labor Code §413.011, the maximum allowable reimbursement (MAR) amount under subsection (f) of this section including any applicable outlier payment amounts and reimbursement for implantables.

DWC Rule 28 TAC §134.403 (f) states in pertinent part 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*.

The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by: (A) 200 percent; unless (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent. Review of the submitted medical bill found a request for implants was not made. The Medicare facility specific reimbursement amount will be multiplied by 200 percent.

The Medicare facility specific amount is calculated when the APC payment rate is multiplied by 60% to determine the labor portion. This amount is multiplied by the facility wage index for the date of service. The non-labor amount is determined when the APC payment rate is multiplied by 40%. The sum of the labor portion multiplied by the facility wage index and the non-labor portion determines the Medicare specific amount. Review of the submitted medical bill and the applicable fee guidelines referenced above is shown below.

- Revenue code 0250 – Pharmacy charges. These charges are packaged into primary procedure.
- Revenue code 0278 – No separate request for payment of implants made. These charges are packaged into primary procedure.
- Revenue code 0300 – Laboratory charges. These charges are packaged into primary procedure.
- Revenue code 0360
 - Procedure code 29827 has a status indicator of J1 as does code 29828. The applicable Medicare payment policy allows for only the highest ranking J1 code to receive payment. Review of the applicable addenda J at www.cms.gov finds code 29827 has a ranking of 485. Code 29828 has a ranking of 576. Therefore, only code 29827 will receive payment.

The APC associated with 29827 is 5114 with a payment rate of \$6,614.63 multiplied by 60% is \$3,967.78 multiplied by facility wage index of 0.8631 equals the labor adjustment amount of \$3,425.45.

The non labor rate is \$2,645.85.

Total Medicare facility specific allowable \$6,071.30 multiplied by 200% for a MAR of \$12,142.60.

- Revenue code 0370 – Anesthesia charges are packaged into primary procedure.
 - Revenue code 0636 – Drugs. These codes have a status indicator of V and are packaged into the primary procedure.
 - Revenue code 0710 – Recovery room. The charges are packaged into primary procedure.
 - Revenue code 0730 – Procedure code 93005 has a status indicator of Q1 and is packaged into primary procedure.
4. The total recommended reimbursement for the disputed services is \$12,142.60. The insurance carrier submitted evidence of payment in the amount of \$12,142.60. No additional payment is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requestor and the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has not established that additional reimbursement is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to \$0.00 additional reimbursement for the disputed services.

Authorized Signature

_____	_____	September 25, 2024
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 under 28 TAC §133.307, which applies to disputes filed on or after **June 1, 2012**.

A party seeking review must submit DWC Form-045M, *Request to Schedule, Reschedule, or Cancel a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (BRC-MFD)* and follow the instructions on the form. You can find the form at www.tdi.texas.gov/forms/form20numeric.html. DWC must receive the request within **20 days** of when you receive this decision. You may fax, mail, or personally deliver your request to DWC using the contact information on the form or the field office handling the claim. If you have questions about DWC Form-045M, please call CompConnection at 1-800-252-7031, option 3 or email CompConnection@tdi.texas.gov.

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

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 1-800-252-7031, opción 3 o correo electrónico CompConnection@tdi.texas.gov.