TDI Division of Workers' Compensation
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Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
MHHS The Woodlands Hospital

Respondent Name
Zurich American Insurance Company

MFDR Tracking Number
M4-24-1567-01

Carrier's Austin Representative
Box Number 19

DWC Date Received
March 18, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 2 – 23, 2023	Inpatient Stay	$228,032.25	$66,306.48
	Total	$228,032.25	$66,306.48

Requestor's Position

"This is a bill for services provided by Memorial Hermann Hospital for a workers comp injury for the above named patient. As of right now, the bill was denied. We have sent reconsiderations, but the carrier has not received or reprocessed the bill for payment."

Amount in Dispute: $228,032.25

Respondent's Position

The Austin carrier representative for Zurich American Insurance Company is Flahive, Ogden & Latson. The representative was notified of this medical fee dispute on March 26, 2024.

Per 28 Texas Administrative Code §133.307(d)(1), if the Texas Department of Insurance, Division of Workers' Compensation (DWC) does not receive the response within 14 calendar days of the dispute notification, then DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

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Findings and Decision

Authority

This medical fee dispute is decided according to Texas Labor Code §413.031 and DWC applicable rules.

Statutes and Rules

1. DWC rule 28 Texas Administrative Code (TAC) §133.307 sets out the procedures for resolving medical fee disputes.
2. DWC rule 28 TAC §134.404 sets out the acute care hospital fee guideline for inpatient services.

Denial Reasons

The insurance carrier reduced the payment for the disputed services with the following claim adjustment codes:

- 5405 – This claim was reviewed through the clinical validation program.
- 5721 – To avoid duplicate bill denial for all reconsiderations/adjustment/additional payment requests, submit a copy of the EOR.
- 16/90084 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.
- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- 4896 – Payment made per Medicare's IPPS methodology with the applicable state markup.

Issues

1. What is the applicable rule for determining reimbursement for the disputed services?
2. Is the requestor entitled to additional payment?

Findings

This dispute regards inpatient hospital facility services rendered from June 2, 2023, to June 23, 2023. The insurance carrier denied the claim/service for lacking information or has submission/billing errors. The requestor indicates a reconsideration was submitted for the disputed services but has yet to receive further information. Review of the submitted documentation did not find supporting documentation of the carrier's denial. The respondent

did not submit a response after the notification of the Medical Fee Dispute Resolution (MFDR) request. The disputed services were reviewed per applicable fee guidelines.

1. DWC rule 28 TAC §134.404(f) governs the payment of inpatient hospital services. It stipulates that the maximum allowable reimbursement (MAR) must be the Medicare facility-specific amount (including outlier payments) using the formulas and factors of the Medicare Inpatient Prospective Payment System (IPPS), which are published yearly in the Federal Register with modifications specified in the rules.

   Medicare IPPS formulas and factors are available from the Centers for Medicare and Medicaid Services at www.cms.gov.

   DWC calculates the Medicare facility specific amount using Medicare's *Inpatient PPS PC Pricer* as a tool to efficiently identify and apply IPPS formulas and factors. This software is freely available from www.cms.gov.

   Note: the "VBP adjustment" listed in the *PC Pricer* was removed in calculating the facility amount for this admission. Medicare's Value-Based Purchasing (VBP) program is an initiative to improve quality of care in the Medicare system. However, such programs conflict with Texas Labor Code §§413.0511 and 413.0512 regarding review and monitoring of health care quality in the Texas workers' compensation system. DWC rule §134.404(d)(1) requires that specific Labor Code provisions and DWC rules take precedence over conflicting CMS provisions for administering Medicare. Consequently, VBP adjustments are not considered in determining the facility reimbursement.

   DWC rule 28 TAC §134.404(f)(1)(A)-(B) requires that the Medicare facility specific amount be multiplied by 143% unless the facility requests separate reimbursement for implantables. Separate reimbursement for implants was not requested in this dispute, so the Medicare amount was multiplied by 143%.

   Review of the submitted medical bill and supporting documentation finds the assigned DRG code is 981. The service location is Memorial Hermann Hospital. Based on DRG code, service location, and bill-specific information, the Medicare facility specific amount is $46,432.92 less the VBP adjustment of (-$64.75) equals $46,368.17. This amount multiplied by 143% results in a MAR of $66,306.48.

2. The total recommended payment for the services in dispute is $66,306.48. This amount 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 that additional reimbursement of $66,306.48 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed services. It is ordered that Zurich American

Insurance Company must remit to MHHS the Woodlands Hospital $66,306.48 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

		3/3/25
Signature	Medical Fee Dispute Resolution Officer	Date
Signature	Deputy Commissioner, Health and Safety	3/3/25 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 electronico CompConnection@tdi.texas.gov.