



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

TOPS Surgical Specialty Hospital

**Respondent Name**

Hanover American Insurance Co

**MFDR Tracking Number**

M4-24-1914-01

**Carrier's Austin Representative**

Box Number 47

**DWC Date Received**

April 30, 2024

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
August 14, 2023	131-250	276.06	All inclusive
August 14, 2023	131-258	44.32	All inclusive
August 14, 2023	131-258	5.79	All inclusive
August 14, 2023	131-270	17.68	All inclusive
August 14, 2023	131-272	1,347.02	All inclusive
August 14, 2023	C1713	2,655.80	All inclusive
August 14, 2023	L8699	650.40	All inclusive
August 14, 2023	25609	4,605.66	\$263.38
August 14, 2023	64721	1,802.00	All inclusive
August 14, 2023	J0690	48.39	All inclusive
August 14, 2023	J2001	20.00	All inclusive
August 14, 2023	J2250	5.96	All inclusive
August 14, 2023	J2405	10.00	All inclusive
August 14, 2023	J2765	5.54	All inclusive
August 14, 2023	J3010	8.04	All inclusive
August 14, 2023	131-710	480.00	All inclusive
<b>Total</b>		<b>\$11,982.66</b>	<b>\$263.38</b>

### Requestor's Position

The requestor did not submit a position statement with this request for MFDR. They did submit a document titled "Reconsideration" dated March 20, 2024, that states, "Per EOB received partial payment received due to missing implant invoices. Please note that separate reimbursement was not requested for Rev code 278 for implants, and CPT code 25609 was underpaid."

**Amount in Dispute:** \$11,982.66

### **Respondent's Position**

"There was a Coventry PPO Network discount taken in the amount of \$263.39, which has been confirmed as accurate per Coventry. Per Coventry, the bill was priced correctly as received per the lesser of language of the provider's contract effective April 8, 1999."

**Response submitted by** Medata

### **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 the fee guidelines for outpatient hospital services.

#### Denial Reasons

The insurance carrier reduced or denied the disputed service(s) with the following claim adjustment codes.

- 1A (P12) – A copy of an invoice showing the cost of the implant, supplies/materials, device, or durable medical equipment must be received. The invoice must be specific to the patient, show cost of acquisition, and/or cost of the product or equipment.
- @F (W3) – Additional payment made on appeal/reconsideration.
- @G (W3) – No additional reimbursement allowed after review of appeal/reconsideration.
- W3 @G – The benefit for this service is included in the payment allowance for another service/procedure that has been performed on the same day.
- 97 PN – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
- NR (45) – A PPO reduction was made for this bill and/or the bill was repriced according to a negotiated rate.

- PN (97) – The service is considered incidental, packaged, or bundled into another service or APC payment.
- PS (P12) – The charge exceeds the APC rate for this service.
- YO (P12) – Denial after reconsideration.
- APRV – The Provider’s charges were reviewed with consideration of the Payer’s UR/Preauthorization Decision(s) governing this Claimant. The listed allowance reflects the result(s) of their decision(s) and all applicable bill review decision(s).
- NOPA – This charge is denied as the service(s) was not authorized during the utilization review process.

### Issues

1. Is the reduction taken by the insurance carrier supported?
2. What is the rule applicable to reimbursement?
3. Is the requestor entitled to additional reimbursement?

### Findings

1. The requestor is seeking additional payment for outpatient hospital services rendered on August 14, 2023. The insurance carrier reduced the allowed amount based on a PPO contract. A review of the submitted documentation and information known to the division did not find information to support the injured worker is enrolled in a certified health network. The insurance carrier’s reduction is not supported. The disputed services will be reviewed per applicable fee guidelines.
2. 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](http://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.

- Procedure code 25609 has status indicator J1, for procedures paid at a comprehensive rate. All covered services on the bill are packaged with the primary "J1" procedure. This code is assigned APC 5114. The OPPS Addendum A rate is \$6,614.63. This is multiplied by 60% for an unadjusted labor amount of \$3,968.78, in turn multiplied by facility wage index 0.9925 for an adjusted labor amount of \$3,939.01. The non-labor portion is 40% of the APC rate, or \$2,645.85. The sum of the labor and non-labor portions is \$6,584.86. The cost of services does not exceed the threshold for outlier payment. The Medicare facility specific amount is \$6,584.86. This is multiplied by 200% for a MAR of \$13,169.72.
- Procedure code 64721 has a status indicator of J1. Medicare payment policy ranks each J1 procedure to determine which billed procedure has the highest ranking. Code 64721 has a ranking of 2,783. Code 25609 has a ranking of 498. Payment is only allowed for code 25609.

3. The total recommended reimbursement for the disputed services is \$13,169.72. The insurance carrier paid \$12,906.34. The amount due is \$263.38. 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 the requester has established that additional reimbursement is due.

## Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement for the disputed services. It is ordered that Hanover American Insurance Co must remit to TOPS Surgical Specialty Hospital \$263.38 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

### Authorized Signature

_____	_____	_____
Signature	Medical Fee Dispute Resolution Officer	May 28, 2024 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](http://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](mailto: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](mailto:CompConnection@tdi.texas.gov).