TDI Division of Workers' Compensation
PO Box 12050 | Austin, TX 78711 | 800-252-7031 | tdi.texas.gov/wc

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Baylor Surgical Hospital at Trophy

Respondent Name
Hartford Casualty Insurance Co

MFDR Tracking Number
M4-24-2002-01

Carrier's Austin Representative
Box Number 47

DWC Date Received
May 16, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
October 20, 2023	111-278	$10,223.22	$10,223.21
October 20, 2023	DRG 455	$1,930.51	$1,930.51
	Total	$12,153.73	$12,153.72

Requestor's Position

"In accordance to the worker compensation guidelines the invoice should be processed and paid per the IPPS Pricer Calculations for the DRG times 108%. Also, implants should be reimbursed at manual cost plus 10%. Previous payment received totaled $44,331.20. Please reprocess and remit payment for remaining balance due.

DRG 455-UB TX I//P: DRG Amount: 31,000.85 x 108%=$33,480.92

278-UB TX I/P: Implants@ Manual cost+ 10%=$23,004.02."

Amount in Dispute: $12,153.73

Respondent's Position

"After further review of the documentation submitted with this dispute, there is no additional amount warranted… It paid per State Fee Schedule and per Medicare's IPPS methodology, with the applicable state markup."

Response Submitted by: The Hartford Financial Services

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) §134.404 sets out the acute care hospital fee guideline for inpatient services.
2. 28 TAC §133.307 sets out the procedures for resolving medical fee disputes.

Adjustment Reasons

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

- P12 – WORKERS COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT.
- 4896 – PAYMENT MADE PER MEDICARE'S IPPS METHODOLOGY, WITH THE APPLICABLE STATE MARKUP.
- 193 – ORIGINAL PAYMENT DECISION IS BEING MAINTAINED. UPON REVIEW IT WAS DETERMINED THAT THIS CLAIM WAS PROCESSED PROPERLY.
- 1014 – THE ATTACHED BILLING HAS BEEN RE-EVALUATED AT THE REQUEST OF THE PROVIDER. BASED ON THIS RE-EVALUATION, WE FIND OUR ORIGINAL REVIEW TO BE CORRECT. THEREFORE, NO ADDITIONAL ALLOWANCE APPEARS TO BE WARRANTED.

Issues

1. What rules apply to the reimbursement of the services in dispute?
2. Is the requestor entitled to additional reimbursement?

Findings

1. This dispute involves inpatient hospital facility services with payment subject to DWC Rule 28 TAC §134.404(f), requiring the maximum allowable reimbursement (MAR) to be the Medicare facility specific amount (including outlier payments) applying Medicare Inpatient Prospective Payment System (IPPS) formulas and factors, as published annually in the Federal Register, with modifications set forth in the rules. Medicare IPPS formulas and factors are available from the Centers for Medicare and Medicaid Services at http://www.cms.gov.

   The division 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.

   Review of the submitted documentation finds that separate reimbursement for implantables was requested; for that reason, the MAR is calculated according to §134.404(f)(1)(B).

   Per §134.404(f)(1)(B), the reimbursement calculation used for establishing the MAR shall be the sum of the Medicare facility specific reimbursement amount and any applicable outlier payment multiplied by 108%. Information regarding the calculation of Medicare IPPS payment rates may be found at http://www.cms.gov.

2. A review of the submitted documentation finds that the DRG code assigned to the services in dispute is 455. The services were provided at Baylor Surgical Hospital at Trophy Club. Based on the submitted DRG code, the service location, and bill-specific information, the Medicare facility specific amount is $31,000.85. This amount multiplied by 108% results in a MAR of $33,480.92.

   Additionally, the provider requested separate reimbursement of implantables. Per §134.404(g):

   Implantables, when billed separately by the facility or a surgical implant provider in accordance with subsection (f)(1)(B) of this section, shall be reimbursed at the lesser of the manufacturer's invoice amount or the net amount (exclusive of rebates and discounts) plus 10 percent or $1,000 per billed item add-on, whichever is less, but not to exceed $2,000 in add-ons per admission.

   A review of the submitted itemized statement finds that the separate implantables include:

   - ROD 50MM at $175.00 per unit x 2 units = $350.00 total cost
   - PLATE A LINK Z at $340.00 per unit x 1 unit = $340.00 total cost
   - INTERBODY ALIGN at $8,050.00 per unit x 1 unit = $8,050.00 total cost
   - SET 5500 SERIES at $60.00 per unit x 4 units = $240.00 total cost
   - SCREW A LINK Z at $781.00 per unit x 4 units = $3,124.00 total cost
   - SCREW 6.5MM at $675.00 per unit x 2 units = $1,350.00 total cost
   - SCREW 5500 SERIES PEDICL at $675.00 per unit x 2 units = $1,350.00 total cost
   - ALLOGRAFT at $3,100.00 per unit x 2 units = $6,200.00 total cost

   The total net implantable invoice amount (exclusive of rebates and discounts) is $21,004.00. The total add-on amount of 10% or $1,000 per billed item add-on, whichever is less, but not to

exceed $2,000 in add-ons per admission, is $2,000.00. Therefore, the total recommended reimbursement amount for the implantable items is $23,004.00.

The total recommended payment for the services in dispute is $56,484.92. This amount, less the amount previously paid by the insurance carrier of $44,331.20, leaves an amount due to the requestor of $12,153.72. The requestor is seeking $12,153.73. The recommended additional payment amount is $12,153.72.

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 in the amount of $12,153.72 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 Hartford Casualty Insurance Co. must remit to Baylor Surgical Hospital at Trophy Club $12,153.72 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	June 11, 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. 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.