



## Medical Fee Dispute Resolution Findings and Decision General Information

**Requestor Name**

PEAK INTEGRATED HEALTHCARE

**Respondent Name**

XL SPECIALTY INSURANCE CO

**MFDR Tracking Number**

M4-24-2035-01

**Carrier's Austin Representative**

Box Number 19

**DWC Date Received**

May 21, 2024

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
January 18, 2024	CPT Code 97110-GP x 6 units	\$112.59	\$11.71
	CPT Code 97112-GP x 2 units	\$28.80	\$26.60
<b>Total</b>		<b>\$141.39</b>	<b>\$38.31</b>

### Requestor's Position

"...WE HAVE NOT BEEN PAID THE FULL ALLOWABLE FOR MPPR AND SUBMIT THAT WE SHOULD BE PAID IN FULL. Due to a recent internal audit in our office, we have found the attached claims remain unpaid. The original bills were sent well before the time limit of 95 days for filing as demonstrated on the 2 forms of proof attached."

**Amount in Dispute:** \$141.39

### Respondent's Position

The Austin carrier representative for XL Specialty Insurance Co is Flahive Ogden & Latson. Flahive Ogden & Latson was notified of this medical fee dispute on May 29, 2024. Rule §133.307(d)(1) states that if the division does not receive the response within 14 calendar days of the dispute notification, then the division may base its decision on the available information. As of today, no response has been received from the carrier or its representative. We therefore base this decision on the information available as authorized under §133.307(d)(1).

## 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 §134.203 sets out the fee guideline for professional medical services.
3. 28 TAC §134.210 applied to fee guidelines for division-specific services.

### Denial Reasons

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

- U301 – This item has been reviewed on a previously submitted bill or is currently in process. Notification of decision has been previously provided or will be issued upon completion of our review.
- 592 – The recommended allowance has been proportioned based on the multiple rules for services reviewed on this date of service or partial previously reviewed on the same date of service.

### Issues

1. Is Peak Integrated Healthcare entitled to additional reimbursement?

### Findings

1. Peak Integrated Healthcare is seeking additional reimbursement for therapeutic services performed on January 18, 2024.

The CPT Codes in dispute are described as follows:

CPT Code 97110- "Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility."

CPT Code 97112 – "Therapeutic procedure, 1 or more areas, each 15 minutes, neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and or proprioception for sitting and/or standing activities."

Per 28 TAC §134.203 (b)(1), parties are required to apply Medicare payment policies, including its coding, billing, correct coding initiatives (CCI) edits, modifiers, and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules to workers' compensation coding, billing, reporting, and reimbursement of professional medical services.

28 TAC §§134.203 (a)(7) and 134.210 (a) state that specific provisions contained in the Texas Labor Code or division rules shall take precedence over any conflicting provision adopted or utilized by CMS in administering the Medicare program. However, no such conflict regarding billing or reimbursement was found that applies to a division-specific functional capacity evaluation. Therefore, Medicare reimbursement rules are applied to the examination in question.

Per [Medicare Claims Processing Manual \(cms.gov\)](#), Chapter 5, 10.7, effective June 6, 2016, titled Multiple Procedure Payment Reductions for Outpatient Rehabilitation Services :

Medicare applies a multiple procedure payment reduction (MPPR) to the practice expense (PE) payment of select therapy services. The reduction applies to the HCPCS codes contained on the list of "always therapy" services ...

Many therapy services are time-based codes, i.e., multiple units may be billed for a single procedure ...

Full payment is made for the unit or procedure with the highest PE payment .

For subsequent units and procedures with dates of service on or after April 1, 2013, furnished to the same patient on the same day, full payment is made for work and malpractice and 50 percent payment is made for the PE for services submitted on either professional or institutional claims.

To determine which services will receive the MPPR, contractors shall rank services according to the applicable PE relative value unit (RVU) and price the service with the highest PE RVU at 100% and apply the appropriate MPPR to the remaining services. When the highest PE RVU applies to more than one of the identified services, contractors shall additionally sort and rank these services according to highest total fee schedule amount, and price the service with the highest total fee schedule amount at 100% and apply the appropriate MPPR to the remaining services.

Review of the Medicare policies finds that the multiple procedure payment reduction (MPPR) applies to the Practice Expense (PE) of certain time-based physical therapy codes when more than one unit or procedure is provided to the same patient on the same day. Medicare publishes a list of the codes subject to MPPR annually.

The MPPR Rate File that contains the payments for 2024 services is found at <https://www.cms.gov/medicare/coding-billing/therapy-services>.

DWC finds that CPT Codes 97110 and 97112 are subject to the MPPR policy. The CPT Code 97112 is found to have the highest PE/RVU of the therapeutic services billed on the disputed dates of service. Therefore, the first unit of CPT 97112 will receive full payment and the reduced PE payment will apply to all subsequent units of timed therapy codes performed on the same date of service.

28 TAC §134.203 states in pertinent part, "(c) 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 \$52.83. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32. (2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar year..."

There is one date of service in dispute. For the date of service in dispute, the requestor billed CPT Code 97112-GP x 2 units in the amount of \$138.04 and CPT Code 97110-GP x 6 units in the amount of \$360.72.

To determine the MAR the following formula is used:

$(\text{DWC Conversion Factor} / \text{Medicare Conversion Factor}) \times \text{Medicare Payment} = \text{MAR}$ .

- MPPR rates are published by carrier and locality.
- The disputed date of service is January 18, 2024.
- The disputed service was rendered in zip code 75043, locality 11.
- The 2024 DWC Conversion Factor is 67.81.
- The 2024 Medicare Conversion Factor is 32.7442.

The Medicare participating amount for CPT code 97112 at this locality is \$33.33 for the first unit, and \$25.08 for subsequent units.

- The MAR amount for CPT code 97112 at this locality is \$69.02 for the first unit, and \$51.94 for the subsequent unit.
- Using the above formula, the DWC finds the total MAR for CPT Code 97112 x 2 units is \$120.96.
- The respondent paid \$109.25.
- The requestor seeks \$28.80, reimbursement allowed for this service is \$11.71.
- Reimbursement in the amount of \$11.71 is recommended.

The Medicare participating amount for CPT code 97110 at this locality is \$ \$22.11 for each unit.

- The MAR amount for CPT code 97110 at this locality is \$274.73 x 6 units.
- Using the above formula, the DWC finds the total MAR for CPT Code 97110 is \$274.73.
- The respondent paid \$248.13.
- The requestor seeks \$112.59.
- Reimbursement in the amount of \$26.60 is recommended for this service.

The division finds that the requestor has established that additional reimbursement in the amount of \$38.31 is due for the services in dispute.

### Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requestor and

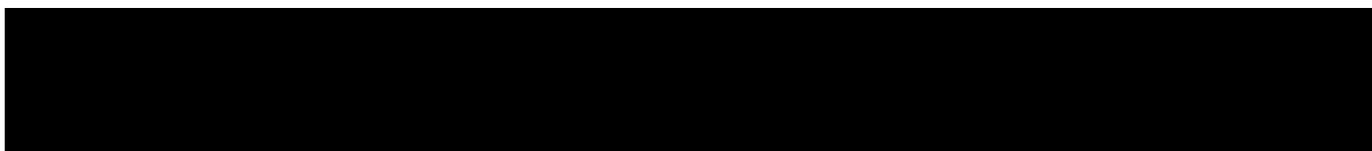
the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has established that additional reimbursement of \$38.31 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 XL SPECIALTY INSURANCE CO., must remit to Peak Integrated Healthcare \$38.31 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

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, 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).