



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Peak Integrated Healthcare

Respondent Name

Old Republic Insurance Co.

MFDR Tracking Number

M4-24-2269-01

Carrier's Austin Representative

Box Number 44

DWC Date Received

June 13, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 11, 2024	97110-GP	\$85.92	\$0.00
April 11, 2024	97112-GP	\$34.14	\$17.05
Total		\$120.06	\$17.05

Requestor's Position

"After reconsideration we still have not been paid in full."

Amount in Dispute: \$120.06

Respondent's Supplemental Position

"Our bill audit company has determined additional monies are owed in the amount of \$0.02. Interest in the amount of \$0.00 has been added."

Response Submitted by: Gallagher Bassett

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 §133.307](#) sets out the procedures for Medical Fee Dispute Resolution requests.
2. [28 TAC §134.203](#) set out the fee guidelines for professional medical services.

Adjustment Reasons

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

- 163 – THE CHARGE FOR THIS PROCEDURE EXCEEDS THE UNIT VALUE AND/OR THE MULTIPLE PROCEDURE RULES.
- 119 – BENEFIT MAXIMUM FOR THIS TIME PERIOD OR OCCURRENCE HAS BEEN REACHED.
- 0663-1 - REIMBURSEMENT HAS BEEN CALCULATED BASED ON THE STATE GUIDELINES.
- 247 – DEDUCTIBLE FOR PROFESSIONAL SERVICE RENDERED IN AN INSTITUTIONAL SETTING AND BILLED ON AN INSTITUTIONAL CLAIM. (DWC Note: NOT APPLICABLE TO THIS CLAIM)
- B13 & 90202 - PREVIOUSLY PAID. PAYMENT FOR THIS CLAIM/SERVICE MAY HAVE BEEN PROVIDED IN A PREVIOUS PAYMENT.

Issues

1. Is the insurance carrier's reimbursement reduction reason supported?
2. Is the requestor entitled to additional reimbursement?

Findings

1. The insurance carrier reduced the disputed CPT codes 97110-GP and 97112-GP with reduction code 163 (description indicated above).

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 97712 – "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."

The requestor appended the above CPT codes with modifier "GP" which indicates the service was delivered by a physical therapist or under an outpatient physical therapy plan of care.

The fee guidelines applicable to the services in dispute are found at 28 TAC §134.203, which states in pertinent part, "(a)(5) 'Medicare payment policies' when used in this section, shall mean reimbursement methodologies, models, and values or weights including its coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare."

Medicare Claims Processing Manual Chapter 5, 10.3.7-effective June 6, 2016, titled Multiple Procedure Payment Reductions (MPPR) for Outpatient Rehabilitation Services, states:

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

For subsequent units and procedures with dates of service prior to April 1, 2013, furnished to the same patient on the same day, full payment is made for work and malpractice and 80 percent payment is made for the PE for services submitted on professional claims (any claim submitted using the ASC X12 837 professional claim format or the CMS-1500 paper claim form) and 75 percent payment is made for the PE for services submitted on institutional claims (ASC X12 837 institutional claim format or Form CMS-1450).

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 units (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.

DWC finds that the MPPR discounting rule applies to the disputed services. Therefore, DWC concludes that the insurance carrier's reason for the reimbursement reduction is supported.

2. The requestor is seeking additional reimbursement in the total amount of \$120.06 for therapy services rendered on April 11, 2024.

The MPPR Rate File that contains the payments for 2024 services is found at:

www.cms.gov/Medicare/Billing/TherapyServices/index.html.

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 date of service. Therefore, the first unit of CPT code 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..."

- MPPR rates are published by carrier and locality.
- Per the medical bills, the services were rendered in zip code 75043; Medicare locality is 11, Dallas, TX.
- To determine the MAR the following formula is used:
(DWC Conversion Factor/Medicare Conversion Factor) X Medicare Payment = MAR
- 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 locality 11 in 2024, is \$33.33 for the first unit and \$25.08 for the subsequent units.
- Using the above formula, DWC finds the MAR is \$69.02 for the first unit and \$51.94 for the second unit. Therefore, the MAR for CPT code 97112 x 2 units rendered on the disputed date of service = \$120.96.
- The insurance carrier paid \$103.90.
- Additional reimbursement in the amount of \$17.05 is recommended for CPT code 97112 x 2 units rendered on April 11, 2024.
- The Medicare Participating MPPR discount amount for CPT code 97110 at locality 11 in 2024 is \$22.11.
- Using the above formula, DWC finds the MAR for CPT code 97110 x 6 units rendered on the disputed date of service = \$274.73.
- The insurance carrier paid \$274.74.

- No additional reimbursement is recommended for CPT code 97110 x 6 units rendered on April 11, 2024.
- DWC finds that the total MAR for 2 units of CPT code 97112 plus 6 units of CPT code 97110 is \$395.69 on the disputed date of service.
- The insurance carrier paid a total amount of \$378.64.
- Additional reimbursement in the total amount of \$17.05 is recommended for the disputed therapy services rendered on April 11, 2024.

DWC finds that additional reimbursement in the total amount of \$17.05 is due.

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 requestor has established that additional reimbursement is due in the total amount of \$17.05.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement. It is ordered that Old Republic Insurance Co. must remit to Peak Integrated Healthcare \$17.05 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature:

July 18, 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, 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.tas.gov.