



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

MHHS The Woodlands Hospital

Respondent Name

Fire Insurance Exchange

MFDR Tracking Number

M4-24-2372-01

Carrier's Austin Representative

Box Number 14

DWC Date Received

June 25, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
January 31, 2024 – February 6, 2024	Inpatient Stay	\$107,613.23	\$11,058.64
Total		\$107,613.23	\$11,058.64

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 inpatient medical bill is underpaid and not paid per Texas fee schedule."

Supplemental response submitted October 2, 2024

"We did receive 2 payments form the carrier but the bill is still underpaid and we would like to continue with the dispute."

Amount in Dispute: \$107,613.23

Respondent's Position

"After reviewing the documentation provided the bill was reviewed per Centers for Medicaid and Medicare (CMS) methodology and determined that additional allowance is due to the provider."

The bill was re-processed under bill id FWTX-36170 using the method below and an additional recommendation was made. Check date: 7/30/2024, Check#164003192, Check amount \$5,033.95."

Response Submitted by: Mitchell

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 §134.404](#) 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:

- 252 – An attachment other documentation is required to adjudicate this claim/service.
- 253 – In order to review this charge please submit a copy of the certified invoice.
- 350 – Bill has been identified as a request for reconsideration or appeal.
- 468 – Pricing is based on the medical hospital inpatient prospective payment system methodology.
- 95 – Plan procedures not followed.
- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- U00 – There was no UR procedure/treatment request received.
- W3 – In accordance with TDI-DWC Rule 134.804, this bill has been identified as a request for reconsideration or appeal.

Issues

1. Is the respondent's reduction in payment supported?
2. What is the applicable rule for determining reimbursement for the disputed services?
3. Is the requestor entitled to additional payment?

Findings

1. This dispute regards inpatient hospital facility services rendered in January 2024. The insurance carrier reduced the payment as if the requestor sought separate reimbursement of implants. Review of the submitted medical bill found no request for separate implant reimbursement was made. The disputed services will be reviewed per applicable fee guidelines.

2. The payment of inpatient hospital services is subject to DWC Rule 28 TAC §134.404(f), that requires the maximum allowable reimbursement (MAR) to be the Medicare facility specific amount (including outlier payments) applying to 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.

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 sections 413.0511 and 413.0512 regarding review and monitoring of health care quality in the Texas workers' compensation system. Rule §134.404(d)(1) requires that specific Labor Code provisions and division rules take precedence over conflicting CMS provisions for administering Medicare. Consequently, VBP adjustments are not considered in determining the facility reimbursement.

Separate reimbursement for implants was not requested. DWC Rule 28 TAC §134.404(f)(1)(A) requires that the Medicare facility specific amount be multiplied by 143%.

Review of the submitted medical bill and supporting documentation finds the assigned DRG code to be 956. The service location is The Woodlands Texas. Based on DRG code, service location, and bill-specific information, the Medicare facility specific amount is \$31,811.79 (less VBP adjustment \$52.97) = \$31,758.82. This amount multiplied by 143% results in a MAR of \$45,415.11.

3. The total recommended payment for the services in dispute is \$45,415.11. The insurance carrier paid \$29,322.52 prior to the fee dispute submission, and an additional payment of \$5,033.95 after the fee dispute submission for a total payment of \$35,356.47. The requestor is entitled to an additional payment of \$11,058.64. 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 Fire Insurance Exchange must remit to MHHS The Woodlands Hospital \$11,058.64 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

