



Medical Fee Dispute Resolution Findings and Decision General Information

Requestor Name

Marcus Hayes, D.C.

Respondent Name

Hartford Insurance Co of Illinois

MFDR Tracking Number

M4-25-0197-01

Carrier's Austin Representative

Box Number 47

DWC Date Received

September 23, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
August 16, 2024	97750-FC 8 units	\$42.37	\$42.37

Requestor's Position

"In this particular case, a network reduction of \$42.37 was applied. However, this is a non-network claim and therefore, the network reduction should not have been applied. Therefore, AI&FATC requests Sedgwick to reconsider and remit the balance due of \$42.37."

Amount in Dispute: \$42.37

Respondent's Position

"Please be advised that this is a PPO dispute and Dr. Hayes is part of a Health Care Network. Therefore, there is no jurisdiction to order additional reimbursement."

Submitted by: Burns Anderson Jury & Brenner, L.L.P.

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.
4. 28 TAC §134.225 sets the reimbursement guidelines for FCEs.

Denial 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.
- 877 - Reimbursement is based on the contracted amount.
- 119 - Benefit maximum for this time period or occurrence has been reached.
- 45 - Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.
- CO - The amount adjusted due to a contractual obligation between the provider and the payer. It is not the patient's responsibility under any circumstances.
- OA - Other Adjustment.
- Note - NETWORK REDUCTION: Coventry P&T PRICED USING A COVENTRY CONTRACT.

Issues

1. Is the insurance carrier's reduction in payment supported?
2. Is Marcus Hayes, D.C. entitled to additional reimbursement?

Findings

1. According to the statement made by the insurance carrier's representative in response to the medical fee dispute, the amount in dispute is based on a network reduction. Examining the explanation of benefits (EOB), it is discovered that a network reduction of \$42.37 was taken out of the reimbursement for the dispute service (CPT code 97750-FC x 8 units).

A review of the information known to the division finds that this injured employee's Texas Worker's Compensation claim is a non-network claim. Therefore, the division finds that the network reduction applied to the reimbursement of the service in dispute was not supported. As a result, the requestor is entitled to additional reimbursement.

2. Dr. Hayes is seeking additional reimbursement for a functional capacity evaluation performed on August 16, 2024, billed under CPT code 97750-FC x 8 units.

The functional capacity examination is identified as a division-specific service with a billing code 97750-FC.

28 TAC §134.225 states: "The following applies to functional capacity evaluations (FCEs) ... FCEs shall be billed using CPT code 97750 with modifier 'FC.' FCEs shall be reimbursed in accordance with §134.203(c)(1) of this title."

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 February 6, 2019:

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.

Procedure code 97750 is classified as "always therapy" in the 2024 Therapy Code List and Dispositions found in the [Annual Therapy Update | CMS](#). Therefore, the MPPR applies to the reimbursement of this code.

On the disputed date of service, the requestor billed CPT code 97550-FC x 8 units. As described above, the multiple procedure discounting rule applies to the disputed service. The MPPR Rate File that contains the payments for 2024 services is found at <https://www.cms.gov/Medicare/Billing/TherapyServices/index.html>.

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 August 16, 2024.
- The disputed service was rendered in zip code 77581, locality 09.
- The Medicare participating amount for CPT code 97750 at this locality is \$34.21 for the first unit, and \$24.83 for subsequent 7 units.
- The 2024 DWC Conversion Factor is 67.81
- The 2024B Medicare Conversion Factor is 33.2875
- Using the above formula, the DWC finds the MAR is \$69.69 for the first unit, and \$24.83 for each of the subsequent 7 units for a total reimbursement amount of \$423.76.
- The respondent paid \$381.38
- Additional reimbursement in the amount of \$42.38, the requestor seeks \$42.37, therefore, 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 requestor has established that additional reimbursement is due in the amount of \$42.37.

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 has been ordered that Hartford Insurance Co. of Illinois must remit to Marcus Hayes, D.C. \$42.37 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

February 25, 2025
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 electrónico CompConnection@tdi.texas.gov.