TDI Division of Workers' Compensation
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Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Compass Anesthesia Providers

Respondent Name
Hanover American Insurance Co

MFDR Tracking Number
M4-25-0253-01

Carrier's Austin Representative
Box Number 47

DWC Date Received
September 30, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 22, 2024	01400-QY	$335.66	$335.66
April 22, 2024	64445-XU RT	$87.59	$0.00
April 22, 2024	64447-XU RT	$0.00	$0.00
	Total	$423.25	$335.66

Requestor's Position

This request for MFDR was made without a position statement from the requestor. The requestor included a copy of their reconsideration letter dated, June 25, 2024 that states, "Please reprocess this anesthesia bill for reconsideration of 01400 and 64445 codes. Anesthesia is always separate charge from surgeon from surgeon [*sic*] and facility. Anesthesia is never included since service is performed by different rendering provider/entity. Anesthesia is paid fee for service."

Amount in Dispute: $423.25

Respondent's Position

The Austin carrier representative for Hanover American Insurance Co is Burns Anderson Jury &

Brenner LP. The representative was notified of this medical fee dispute on October 8, 2024.

Per 28 Texas Administrative Code §133.307(d)(1), if the DWC does not receive the response within 14 calendar days of the dispute notification, then the DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

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 TAC §133.307 sets out the procedures for resolving medical fee disputes.

2. 28 TAC §134.203 sets out the reimbursement guidelines for anesthesia services.

Denial Reasons

The insurance carrier reduced or denied the disputed service(s) with the following claim adjustment codes.

- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
- B2 (97) – Anesthesia fees are not payable when local infiltration, digital or regional block, or topical anesthesia is administered by the operating surgeon or an assistant. Such services are included in the value of the surgical procedure.
- NV (P12) Separate payment is not allowed for an anesthesia service that a surgeon performs concurrently with a surgical procedure.
- W3 – No additional reimbursement allowed after review of appeal/reconsideration

Issues

1. Are the insurance carrier's denial reasons supported?

2. What rule is applicable to reimbursement?

3. Is the requestor entitled to reimbursement?

Findings

1. The requestor is seeking reimbursement of codes 01400 QY, P3 and 64445, XU, RT. The insurance carrier denied the code 01400 as not payable and 64445 as packaged.

   DWC Rule 28 TAC §134.203(a)(5) states, "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."

   DWC Rule 28 Texas Administrative Code 134.203(b)(1) states, "For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other.

   Review of the applicable Medicare payment policy does not support the denial of the anesthesia as not payable. The respondent did not submit a position statement in support of this denial.

   Review of the submitted medical record and medical bill found the supervising anesthesiologist was Dr. Kelly Frew. This physician signed the anesthesia record and their NPI was submitted on the claim line of the medical bill.

   The modifiers submitted with code 01400 are as follows.

   - QY – Medical direction of one qualified nonphysician anesthetist by an anesthesiologist.
   - P3 – Severe systemic illness with ongoing threat of morbidity or mortality

   The applicable Medicare payment policy is found at www.cms.gov, ***Medicare Claims Processing Manual Chapter 12 - Physicians/Nonphysician Practitioners Section 50 - Payment for Anesthesiology Services***

   Payment at the Medically Directed Rate, The A/B MAC determines payment at the medically directed rate for the physician on the basis of 50 percent of the allowance for the service performed by the physician alone. Payment will be made at the medically directed rate if the physician medically directs qualified individuals (all of whom could be CRNAs, anesthesiologists' assistants, interns, residents, or combinations of these individuals*).*

   Review of the submitted anesthesia record indicates CRNA, Batiste. The use of the QY modifier is supported. The insurance carrier's denial for code 01400 is not supported and reimbursement will be per the applicable fee guideline.

   Review of the applicable CCI edits found an edit exists between code 64445 and 01400. The denial of code 64445 is upheld.

2. DWC Rule 28 Texas Administrative Code §134.203(c)(1) states, "…To determine to MAR for professional services, system participants shall apply the Medicare payment policies with minimal modification…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 $53.68…"

   The requestor billed CPT code 01400 defined as "Anesthesia for open or surgical arthroscopic procedures on knee joint; not otherwise specified." The requestor billed the disputed anesthesiology service using the "QY" modifier that is described as "Medical direction of one certified register nurse anesthetist (CRNA) by an anesthesiologist."

   To determine the MAR the following formula is used: (Time units + Base Units) X Conversion Factor = Allowance. The Division reviewed the submitted medical bill and found the anesthesia started at 08:09 and ended at 09:37, for a total of 88 minutes.

   Per Medicare Claims Processing Manual, Chapter 12, Physicians/Nonphysician Practitioners, Payment for Anesthesiology Services Section (50)(G) states, "Actual anesthesia time in minutes is reported on the claim. For anesthesia services furnished on or after January 1, 1994, the A/B MAC computes time units by dividing reported anesthesia time by 15 minutes. Round the time unit to one decimal place."

   Therefore, the requester has supported 88 ÷15 = 6

   The base unit for CPT code 01400 is 4.

   The DWC Conversion Factor for 2024 is 67.81.

   The MAR for CPT code 01400 is: (Base Unit of 4 + Time Unit of 6 X 67.81 (DWC conversion factor) = $678.10. As shown above based on the QY modifier this procedure is reimbursed at 50 per cent or $339.05.

3. The maximum allowable reimbursement (MAR) for the disputed service is $339.05. However, the requestor seeks the amount of $335.66. 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 reimbursement is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed services. It is ordered that Hanover American Insurance Co must remit to Compass Anesthesia Providers $335.66 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

		January 24, 2025
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, 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.