TDI Division of Workers' Compensation
PO Box 12050 | Austin, TX 78711 | 800-252-7031 | tdi.texas.gov/wc

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Hendrick Medical Center

Respondent Name
Old Republic Insurance Co

MFDR Tracking Number
M4-25-0290-01

Carrier's Austin Representative
Box Number 44

DWC Date Received
October 3, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
September 30, 2023	Pharmacy	$141.37	$0.00
October 1, 2023	Pharmacy	$160.95	$0.00
October 2, 2023	Pharmacy	$188.66	$0.00
October 3, 2023	Pharmacy	$169.37	$0.00
October 4, 2023	Pharmacy	$141.49	$0.00
September 30, 2023	Q9967	$737.07	$0.00
October 2, 2023	96372	$335.84	$0.00
October 3, 2023	96372	$335.84	$0.00
October 4, 2023	96372	$335.84	$0.00
October 2, 2023	96375	$431.27	$0.00
October 1, 2023	96376	$692.88	$0.00
October 2, 2023	96376	$692.88	$0.00
October 3, 2023	96376	$1732.20	$0.00
October 4, 2023	96376	$346.44	$0.00
September 29, 2023	36415	$25.52	$0.00
October 1, 2023	36415	$25.52	$0.00
September 29, 2023	80053	$641.68	$0.00
October 1, 2023	80053	$641.68	$0.00
September 29, 2023	83735	$301.19	$0.00
October 1, 2023	83735	$301.19	$0.00
September 29, 2023	85025	$226.84	$0.00

October 1, 2023	85025	$226.84	$0.00
September 29, 2023	85610QW	$250.25	$0.00
September 29, 2023	85730	$305.86	$0.00
October 1, 2023	72070	$875.93	$0.00
October 3, 2023	74018	$708.72	$0.00
September 30, 2023	70498	$5090.40	$0.00
September 30, 2023	7045059	$4904.39	$0.00
September 30, 2023	70496	$6007.60	$0.00
October 4, 2023	97112GP	$283.81	$0.00
October 1, 2023	97116GP	$241.91	$0.00
October 4, 2023	97116GP	$241.91	$0.00
October 1, 2023	97760GP	$321.21	$0.00
October 1, 2023	97162GP	$641.44	$0.00
October 1, 2023	97535GO	$295.44	$0.00
	Total	$29001.20	$0.00

Requestor's Position

"No correspondence has been received from Gallagher Bassett after the initial denial for timely filing."

Amount in Dispute: $29,001.20

Respondent's Position

"…the bills in question were escalated and the review has been finalized. Our bill audit company has determined no further payment is due. …The bill qualifies for the Comprehensive Observation APC 8011 Assignment. …All other services are denied as they have status J2.

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 (TAC) §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 TAC §134.403 sets out the guidelines of outpatient hospital reimbursement.

Denial Reasons

- 00663 – Reimbursement has been calculated according to state fee schedule guidelines.

- 90223 – Workers' compensation jurisdictional fee schedule adjustment.
- 3411 – The sole community hospital or essential access hospital payment adjustment has been applied.
- 4845 – Bill review rules reduction applied.
- 56 – Claim/service denied because procedure/treatment has not been deemed proven to be effective by the payer.
- 802 – Charge for this procedure exceeds the OPPS schedule allowance.
- 93 – No claim level adjustment.
- P12 – Workers compensation jurisdictional fee schedule adjustment.

Issues

1. What is the rule applicable to reimbursement?
2. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor is seeking payment of outpatient hospital emergency room/observation services. The insurance carrier did not maintain their original denial for non-timely submission of the medical bill. On October 11, 2024 a payment of $5,791.97 was made. The charges were reduced based on the OPPS fee schedule and workers' compensation jurisdictional fee schedule.

   DWC Rule 28 TAC §134.403 (d) requires Texas workers' compensation system participants when coding, billing, reporting and reimbursement to apply Medicare payment policies in effect on the date of service.

   The Medicare payment policy applicable to the services in dispute is found at www.cms.gov, Claims processing Manual, Chapter 4, Section 10.1.1. Specifically, Payment Status Indicators and Ambulatory Payment Category (APC).

   DWC Rule 28 TAC §134.403 (e)(2) states in pertinent part, regardless of billed amount, if no contracted fee schedule exits that complies with Labor Code §413.011, the maximum allowable reimbursement (MAR) amount under subsection (f) of this section including any applicable outlier payment amounts and reimbursement for implantables.

   DWC Rule 28 TAC §134.403 (f) states in pertinent part the reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*.

   The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by: (A) 200 percent; unless (B) a facility or surgical

implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent. Review of the submitted medical bill found a request for implants is not applicable.

The Medicare facility specific amount is calculated when the APC payment rate is multiplied by 60% to determine the labor portion. This amount is multiplied by the facility wage index for the date of service. The non-labor amount is determined when the APC payment rate is multiplied by 40%. The sum of the labor portion multiplied by the facility wage index and the non-labor portion determines the Medicare specific amount. Review of the submitted medical bill and the applicable fee guidelines referenced above are shown below.

- Procedure code 99285 has status indicator J2 when eight hours or more of observation are performed and reported on a hospital Medicare Part B outpatient claim. This would allow for all other OPPS payable services and items reported on the claim (excluding all preventive services and certain Medicare Part B inpatient services) to be deemed adjunctive services representing components of a comprehensive service and resulting in a single prospective payment through C-APC 8011. Review of the submitted medical bill found 105 hours of observation were included. Criteria for comprehensive observation is met.

  This code is assigned APC 8011. The OPPS Addendum A rate is $2,439.02 multiplied by 60% for an unadjusted labor amount of $1,463.41, in turn multiplied by facility wage index 0.8502 for an adjusted labor amount of $1,244.19.

  The non-labor portion is 40% of the APC rate, or $975.61.

  The sum of the labor and non-labor portions is $2,219.80.

  The Medicare facility specific amount is $2,219.80.

  The Medicare Claims Processing Manual Chapter 4, Section 10.6.1at www.cms.hhs.gov, states, "*Beginning January 1, 2006, rural sole community hospitals (SCHs), including essential access community hospitals (EACHs), receive a 7.1 percent increase in payments for most services, with certain exception*." The Medicare facility specific amount multiplied by Sole Community Hospital Exception or $2,219.80 x 7.1% = $2,377.40. This amount multiplied by 200% = $4,754,80.

3. The total recommended reimbursement for the disputed services is $4,754.80 . The insurance carrier paid $5,791.97. Additional payment is not 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 not established that additional reimbursement is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to $0.00 additional reimbursement for the disputed services.

Authorized Signature

		January 14, 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.