



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Priority Health & Wellness

**Respondent Name**

American Casualty Co. of Reading, PA

**MFDR Tracking Number**

M4-25-0446-01

**Carrier's Austin Representative**

Box Number 57

**DWC Date Received**

October 23, 2024

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 22, 2024	97110	\$98.37	\$98.37
April 22, 2024	97530	\$46.70	\$46.70
April 22, 2024	97124	\$15.00	\$15.00
April 24, 2024	97110	\$98.37	\$98.37
April 24, 2024	97530	\$46.70	\$46.70
April 24, 2024	97124	\$15.00	\$15.00
April 26, 2024	97110	\$98.37	\$98.37
April 26, 2024	97530	\$46.70	\$46.70
April 26, 2024	97124	\$15.00	\$15.00
May 1, 2024	97110	\$98.37	\$98.37
May 1, 2024	97530	\$46.70	\$46.70
May 1, 2024	97124	\$15.00	\$15.00
May 7, 2024	97110	\$98.37	\$98.37
May 7, 2024	97530	\$46.70	\$46.70

May 7, 2024	97124	\$15.00	\$15.00
May 9, 2024	97110	\$98.37	\$98.37
May 9, 2024	97530	\$46.70	\$46.70
May 9, 2024	97124	\$15.00	\$15.00
May 10, 2024	97110	\$98.37	\$98.37
May 10, 2024	97530	\$46.70	\$46.70
May 10, 2024	97124	\$15.00	\$15.00
May 13, 2024	97110	\$98.37	\$98.37
May 13, 2024	97530	\$46.70	\$46.70
May 13, 2024	97124	\$15.00	\$15.00
May 17, 2024	97110	\$98.37	\$98.37
May 17, 2024	97530	\$46.70	\$46.70
May 17, 2024	97124	\$15.00	\$15.00
May 20, 2024	97110	\$98.37	\$98.37
May 20, 2024	97530	\$46.70	\$46.70
May 20, 2024	97124	\$15.00	\$15.00
May 22, 2024	97110	\$98.37	\$98.37
May 22, 2024	97530	\$46.70	\$46.70
May 22, 2024	97124	\$15.00	\$15.00
May 28, 2024	97110	\$98.37	\$98.37
May 28, 2024	97530	\$46.70	\$46.70
May 28, 2024	97124	\$15.00	\$15.00
<b>Total</b>		\$1,920.84	\$1,920.84

### Requestor's Position

"...per the original denial insurance took a reduction in payment, a network reduction of \$1920.84 was applied. However, this is non-network claim and therefore, the network reduction should have not been applied."

**Amount in Dispute:** \$1,920.84

### Respondent's Position

The insurance carrier representative for American Casualty Company of Reading PA, is Monica L. Herrera. The representative was notified of this medical fee dispute on October 29, 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 Texas Administrative Code \(TAC\) §133.307](#) sets out the procedures for Medical Fee Dispute Resolution requests.
2. [28 \(TAC\) §133.305](#) sets out general Medical Dispute Resolution guidelines.
3. [Texas Insurance Code Title 8, Chapter 1305](#) Workers' Compensation Health Care Network Act.
4. [28 TAC §134.203](#) sets out the fee guidelines for professional medical services.

### Adjustment Reasons

The insurance carrier reduced 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 ARRANGEMENTS.
- CO - The amount adjusted due to a contractual obligation between the provider and the payer.
- 1014 - The attached billing has been re-evaluated at the request of the provider. Based on this re-evaluation, we find our original review to be correct. Therefore, no additional allowance appears to be warranted.
- 2005 - NO ADDITIONAL REIMBURSEMENT ALLOWED AFTER REVIEW OF APPEAL/RECONSIDERATION.

### Issues

1. Is the network reduction, which was applied by the insurance carrier to the reimbursement of the disputed services, supported?
2. Is the requestor entitled to additional reimbursement for the dates of service in dispute?

## Findings

1. The requestor is seeking reimbursement for the therapy services rendered April 22, 2024, through May 28, 2024. A review of the explanation of benefits (EOB) submitted finds that a network reduction was deducted from the allowable reimbursement of the disputed services.

According to a review of the documentation and information known to DWC, this injured employee's Texas Worker's Compensation claim is a non-network claim. Therefore, DWC finds that the network reduction was not an appropriate reduction in reimbursement.

DWC finds that the network reduction applied by the insurance carrier to the disputed services, is not supported.

2. On each disputed date of service, the requester charged for CPT codes 97110-GP x 5 units, 97530-GP x 2 units, and 97124-GP x 1 unit. Because the network reduction in payment is not supported, DWC will adjudicate the disputed services for the recommended maximum allowable reimbursement (MAR).

CPT code 97110 is described as, "Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility."

CPT Code 97530 is described as, "Therapeutic activities, direct one-on-one patient contact (use of dynamic activities to improve functional performance), each 15 minutes."

CPT code 97124 is described as, "Therapeutic procedure, 1 or more areas, each 15 minutes; massage, including effleurage, petrissage and/or tapotement (stroking, compression, percussion)."

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 CPT Codes 97110, 97530 and 97124 are subject to the MPPR policy. DWC completed NCCI edits and found that on the disputed dates of service no conflicts exist with the billing of CPT codes 97110, 97530 and 97124 together.

The CPT code 97530 is found to have the highest PE/RVU of the therapeutic services billed on the disputed dates of service. Therefore, the first unit of CPT code 97530 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.

The MPPR Rate File that contains the payments for 2024 services is found at [www.cms.gov/Medicare/Billing/TherapyServices/index.html](http://www.cms.gov/Medicare/Billing/TherapyServices/index.html).

28 TAC §134.203, which applies to the reimbursement of the services in dispute, 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..."

To determine the MAR the following formula is used:

$(\text{DWC Conversion Factor} / \text{Medicare Conversion Factor}) \times \text{Medicare Payment} = \text{MAR}$ .

- The 2024 DWC Conversion Factor is 67.81
- The 2024 Medicare Conversion Factor on the dates of service in dispute is 33.2875
- MPPR rates are published by carrier and locality.
- The disputed therapy services were rendered in zip code 77581, locality 09, Brazoria.

CPT code 97530 x 2 units rendered on twelve separate dates of service from April 22, 2024, through May 28, 2024:

- The Medicare Participating amount in locality 09 is \$36.88 for the first unit and \$26.00 for the second unit.
- Using the above formula, DWC finds the MAR is \$75.13 for the first unit and \$52.96 for the second unit. Therefore, the MAR for 97530 x 2 units in 2024 = \$128.09 for each disputed date of service.
- The insurance carrier issued a payment in the amount of \$65.30 for each disputed date of service for CPT code 97530 x 2 units.
- The requestor is seeking additional reimbursement in the amount of \$46.70 for CPT code 97530 x 2 units, for each disputed date of service.
- DWC finds that the requestor is entitled to an additional reimbursement in the amount of \$46.70 for CPT code 97530 for each of the twelve disputed dates of service from April 22, 2024, through May 28, 2024.

CPT code 97110 x 5 units rendered on twelve separate dates of service from April 22, 2024, through May 28, 2024:

- The Medicare Participating MPPR amount in locality 09 is \$22.49 per unit.
- Using the above formula, DWC finds the MAR is \$45.06 x 5 units = \$229.07.
- The insurance carrier issued a payment of \$130.68 for each disputed date of service.
- The requestor is seeking additional payment in the amount of \$98.37 for each of the twelve disputed dates of service.
- DWC finds that the requestor is entitled to additional reimbursement in the amount of \$98.37 for CPT code 97110 for each of the twelve disputed dates of service from April 22, 2024, through May 28, 2024.

CPT code 97124 x 1 unit rendered on twelve separate dates of service from April 22, 2024, through May 28, 2024:

- The Medicare Participating MPPR amount in locality 09 is \$21.29.
- Using the above formula, DWC finds the MAR is \$43.37.

- The insurance carrier issued a payment in the amount of \$27.00 for each disputed date of service.
- The requestor is seeking additional payment in the amount of \$15.00 for each disputed date of service.
- DWC finds that the requestor is entitled to additional reimbursement in the amount of \$15.00 for CPT code 97124 for each of the twelve disputed dates of service from April 22, 2024, through May 28, 2024.

DWC finds that the requestor is entitled to additional reimbursement in the amount of \$160.07 for each disputed date of service, for a total of \$1,920.84. Therefore, DWC finds that the requestor is entitled to additional reimbursement in the total amount of \$1,920.84 for the twelve dates of service in dispute.

### 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 \$1,920.84 for the disputed dates of service April 22, 2024, through May 28, 2024.

## **Order**

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement for the disputed dates of service. It is ordered that American Casualty Co. of Reading PA must remit to Priority Health & Wellness \$1,920.84 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 7, 2025 Date
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## **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](http://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](mailto: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](mailto:CompConnection@tdi.tas.gov).