



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial MRI & Diagnostic

Respondent Name

Plano Independent School District

MFDR Tracking Number

M4-25-0717-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

November 25, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 12, 2024	73221	[requestor left blank]	\$0.00

Requester's Position

"I received a denial for d/s 06/12/2024. This bill was rejected due to absence of authorization. I have attached authorization from adjuster [name of adjuster] for MRI ... on 05/23/24 via email."

Amount in Dispute: Requestor left this field blank; Billed amount is \$2,756.00

Respondent's Position

"This MRI of ... was denied for lack of Preauthorization. Based on our records, the claimant had an MRI of the ... on 9/29/2023, which was paid. As the MRI incurred on 6/12/2024 was the second one for this claim, Preauthorization was required. The provider indicates [name of adjuster] authorized this service, however, [name] only confirmed that the was Compensable. She did not authorize nor was she requested to authorize an MRI of... We have included copies of the bills, EOBs and medical records. It is our position denial for lack of Preauthorization was correct and no reimbursement is due."

Response Submitted by: Claims Administrative Services

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 §134.600](#) sets out the procedures for preauthorization requirements of healthcare services.
3. [28 TAC §134.203](#) sets out the fee guidelines for professional medical services.

Denial Reasons

The insurance carrier denied the payment for the disputed services with the following claim adjustment codes:

- 197 - PRECERTIFICATION/AUTHORIZATION/NOTIFICATION ABSENT.
- 721 – PER RULE 134.600 OF THE TEXAS ADMINISTRATIVE CODE, THIS PROCEDURE REQUIRES PREAUTHORIZATION, PREAUTHORIZATION NOT OBTAINED.
- W3 & 350 - IN ACCORDANCE WITH TDI -DWC RULE 134.804, THIS BILL HAS BEEN IDENTIFIED AS A REQUEST FOR RECONSIDERATION OR APPEAL.

Issues

1. Did the requestor obtain preauthorization for the service in dispute?
2. Is the insurance carrier's denial, based on lack of preauthorization, supported?
3. Is Memorial MRI & Diagnostic entitled to reimbursement?

Findings

1. This dispute involves an MRI service rendered on June 12, 2024, billed under CPT code 73221-RT. Memorial MRI & Diagnostic billed the insurance carrier \$2,756.00 for this date of service. A review of the submitted documentation finds that the insurance carrier denied the service for absence of precertification.

As evidence of preauthorization for the service in dispute, the requestor submitted copies of email correspondence with a representative from the insurance carrier, Claims Administrative Services.

28 TAC §134.600 (a)(7) defines preauthorization, stating "Preauthorization: a form of prospective utilization review by a payor or a payor's utilization review agent of health care

services proposed to be provided to an injured employee.”

A review of the submitted documentation finds no evidence that a utilization review was performed or that preauthorization was obtained for the disputed MRI service billed under CPT code 73221-RT, rendered on June 12, 2024. Therefore, DWC finds that the requestor did not obtain preauthorization for the imaging service in dispute.

2. A review of the submitted explanation of benefits (EOB) finds that the respondent, Claims Administrative Services, denied the imaging service, CPT code 73221-RT rendered by Memorial MRI & Diagnostic on June 12, 2024, for absence of precertification.

CPT code 73221 is defined as “MRI, upper extremity, without contrast.” Submitted documentation indicates that the same service had been performed and paid by the insurance carrier under the same CPT code on the same body part on September 25, 2023. Therefore, the disputed service rendered on June 12, 2024, was a repeat diagnostic study.

DWC finds that 28 TAC §134.600 (p)(8)(A) applies to the disputed CPT code 73221-RT, which states in pertinent part that “Non-emergency health care requiring preauthorization includes: ... a repeat individual diagnostic study: with a reimbursement rate of greater than \$350 as established in the current Medical Fee Guideline...”

In accordance with 28 TAC §134.203 which sets out the fee guidelines for professional medical services, as calculated below, the maximum allowable reimbursement (MAR) for CPT code 73221 rendered June 12, 2024, is greater than the reimbursement threshold of \$350 requiring preauthorization. As such, DWC finds that the disputed service required preauthorization.

DWC finds that the denial of the disputed service, for lack of preauthorization, is supported.

3. Memorial MRI & Diagnostic is seeking reimbursement for imaging service, CPT code 73221-RT, rendered on June 12, 2024.

DWC finds that 28 TAC §134.203 applies to the reimbursement of CPT Code 73221.

28 TAC §134.203 states in pertinent part, “(c) To determine the maximum allowable reimbursement (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:

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

Date of service is June 12, 2024

- The 2024 DWC Conversion Factor is 67.81
- On June 12, 2024, the Medicare Conversion Factor is 33.2875
- Per the medical bills, the service was rendered in zip code 75050; Medicare locality is 11, Dallas.
- The Medicare Participating amount for CPT code 73221 at this locality is \$209.63.
- Using the above formula, DWC finds the MAR is \$427.04 for CPT code 73221 rendered in locality 11 on June 12, 2024.

DWC finds that the MAR for the service of the repeat imaging service in dispute is greater than the threshold of \$350.00 requiring preauthorization. Consequently, DWC concludes that the disputed service required preauthorization. Because it has been determined that the requestor did not obtain the required preauthorization for CPT code 73221-RT, rendered on June 12, 2024, DWC finds that the requestor is not entitled to reimbursement.

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 not established that reimbursement is due.

Order

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

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

February 14, 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.