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

General Information

Requestor Name
Marcus Hayes, D.C.

Respondent Name
American Casualty Co of Reading PA

MFDR Tracking Number
M4-25-0770-01

Carrier's Austin Representative
Box Number 57

DWC Date Received
December 4, 2024

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
October 7, 2024	97750-FC x 10 units	$158.86	$158.86
October 30, 2024	97750-FC x 8 units	$130.91	$130.91
	Total	**$289.77**	**$289.77**

Requestor's Position

"However, this is a non-network claim and therefore, the network reductions should not have been applied. Therefore, AI&FATC requests Sedgwick to reconsider and remit the balance due of $158.86 for DOS 10/07/2024 and $130.91 for DOS 10/30/2024."

Amount in Dispute: $289.77

Respondents' Position

The Austin carrier representative for American Casualty Co of Reading PA is Continental Casualty Co. Continental Casualty Co was notified of this medical fee dispute on December 10, 2024. Rule §133.307(d)(1) states that if the division does not receive the response within 14 calendar days of the dispute notification, then the division may base its decision on the available information. As of today, no response has been received from the carrier or its representative. We therefore base this decision on the information available as authorized under §133.307(d)(1).

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 agreement.
- CO – The amount adjusted due to a contractual obligation between the provider circumstances.
- OA – Other adjustments.
- 1014 – The attached billing has been re-evaluated at the request of the provide. 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.
- 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- W3 – Bill is a reconsideration or appeal.
- Network reduction: Coventry P&T priced using a Coventry contract.

Issues

1. Are the disputed services subject to a network reduction?

2. Is the insurance carrier's multiple procedure payment reduction supported?

3. Is the requester entitled to additional reimbursement?

Findings

1. The requestor seeks reimbursement for two functional capacity evaluations performed on October 7, 2024 and October 30, 2024. The insurance carrier issued a partial payment for each of the disputed dates of services and denied with reason codes "CO – The amount adjusted due to a contractual obligation between the provider circumstances", and "Network reduction: Coventry P&T priced using a Coventry contract."

   As of the time of this review, the insurance carrier had not responded to the medical fee dispute resolution request. According to the information available to the division, the injured employee is not enrolled in a certified healthcare network. The division concludes that the network reductions made for the services in question are not justified. The requester is therefore entitled to reimbursement.

2. Dr. Hayes is seeking additional reimbursement for a functional capacity evaluation performed on October 7, 2024, and October 30, 2024. The examination is identified as a division-specific service with a billing CPT code 97750-FC. The insurance carrier issued a partial payment for the functional capacity evaluations and reduced the remaining charges due to the multiple procedure payment reduction (MPPR).

   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 requester documented and billed for CPT code 97750-FC X 10 units on October 7, 2024, and CPT code 97750-FC X 8 units on October 30, 2024.

The division finds that the insurance carrier's payment reduction due to the MPPR is supported. As described above, the multiple procedure discounting rule (MPPR) applies to the disputed service.

3. 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."

   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:

   (DWC Conversion Factor/Medicare Conversion Factor) X Medicare Payment = MAR.

   - MPPR rates are published by carrier and locality.
   - The disputed dates of service are October 7, 2024, and October 30, 2024.
   - The disputed service was rendered in zip code 77581, locality 4412 09.
   - The Medicare participating amount for CPT code 97750 at this locality in 2024B is $34.21 for the first unit, and $24.83 for the subsequent units.
   - The 2024 DWC Conversion Factor is 67.81.
   - The 2024B Medicare Conversion Factor is 33.2875 on the disputed date of service.
   - For date of service October 7, 2024, using the above formula, DWC finds the MAR is $69.69 for the first unit and $50.58 for the subsequent 9 units for a total MAR of $524.92.
   - For date of service October 30, 2024, using the above formula, DWC finds the MAR is $69.69 for the first unit and $50.58 for the subsequent 7 units for a total MAR of $423.76.

- The total MAR for both dates of service is $948.68 minus the previous payment made by the insurance carrier of $658.89, leaves a balance of $289.79
- The requestor seeks an additional payment of $289.77.
- Reimbursement of $289.77 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 $289.77.

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 is ordered that the respondent must remit to the requester $289.77 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

		March 7, 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.