



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Hendrick Medical Center

**Respondent Name**

Indemnity Insurance Co of North America

**MFDR Tracking Number**

M4-25-0793-01

**Carrier's Austin Representative**

Box Number 15

**DWC Date Received**

December 6, 2024

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 5, 2024	80074	\$2295.83	\$59.54
February 5, 2024	86701QW	\$107.27	\$11.11
February 5, 2024	86702	\$131.33	\$16.90
		\$2534.43	\$87.55

### Requestor's Position

"This bill was initially submitted to the original carrier SEDGWICK ON 2/29/24. On 4/23/2024 HMC Brownwood was notified that Gallagher Bassett was the bill review and was provided fax number 972-931-6256 to submit the bill. ...Once appealed Gallagher Bassett denied the appeal stating original payment decision being maintained and that the services were not pre-authorized. The services were not pre-authorized with Gallagher Bassett as they were not carrier when services were ordered and performed."

**Amount in Dispute:** \$2534.43

### Respondent's Position

"Our initial response to the above referenced medical fee dispute resolution is a follows: We have escalated the bills in question for manual review to determine if additional monies are owed. We will provide a supplemental response once the bill auditing company has finalized

their review.

**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 §133.20](#) sets out requirements of medical bill submission.
3. [28 TAC §134.403](#) sets out the rules and fee guidelines for outpatient hospital services.
4. [28 TAC §134.203](#) sets out the reimbursement guidelines for clinical laboratory services.

### Denial Reasons

- 29/90096 – The time limit for filing has expired.
- 4271 – Per TX Labor Code Sec. 408.027, providers must submit bills to payors within 95 days of the date of service.
- 193/90563 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- 31065 – This service was not pre-authorized in conformance with TWCC Rule 134.600.
- 5283 – Additional allowance is not recommended as this bill was reviewed in accordance with state guidelines, usual and customary policies, provider's contract, or carrier decision.

### Issues

1. Did the insurance carrier maintain timely filing denial?
2. What is the rule applicable to reimbursement?
3. Is the requestor entitled to additional reimbursement?

### Findings

1. The requestor is seeking payment of laboratory services rendered in an outpatient hospital setting. The insurance carrier originally denied for timely filing then after reconsideration denied for lack of prior authorization.

DWC Rule 28 TAC §133.20 (b) states in pertinent part,

(b) Except as provided in Labor Code §408.0272(b), (c) or (d), a health care provider shall not submit a medical bill later than the 95th day after the date the services are provided. (2) In accordance with subsection (c) of the statute, the health care provider must submit the medical bill to the correct workers' compensation insurance carrier no later than the 95th day after the date the health care provider is notified of the health care provider's erroneous submission of the medical bill.

Review of the submitted documentation found the provider was notified on April 23, 2024 of the correct workers' compensation carrier. Gallagher Bassett indicates on their explanation of benefit the claim was received on July 12, 2024. This date is within 95 days of April 23, 2024. The denial for timely filing is not upheld.

DWC 28 TAC §134.600 (p)(2) states, "Non-emergency health care requiring preauthorization includes: outpatient surgical or ambulatory surgical services."

The services in dispute are laboratory charges not surgical charges. The insurance carrier's denial is not supported.

2. 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](http://www.cms.gov), Claims processing Manual, Chapter 4, Section 10.1.1. Specifically, Payment Status Indicators and Ambulatory Payment Category (APC). Review of the disputed codes find they have a status indicator of Q4. The definition of Q4 is Conditionally Packaged Laboratory Tests Paid under OPSS or CLFS.

(1) Packaged APC payment if billed (1) on the same claim as a HCPCS code assigned published status indicator "J1", "J2", "S", "T", "V", "Q1", "Q2", or "Q3".

(2) In other circumstances, laboratory tests should have a status indicator of "A" and payment is made under the CLFS.

As the only codes submitted on the medical bill are laboratory tests, the status indicator is "A" and payment will be made under DWC rule applicable to clinical laboratory fee schedule.

DWC Rule 28 TAC 134.203 (e)(1) states in pertinent parts, "The MAR for pathology and laboratory services not addressed in subsection (c)(1) of this section or in other Division rules shall be determined as follows: 125 percent of the fee listed for the code in the Medicare Clinical Fee Schedule.

- Procedure code 80074 has a 2024 allowable of  $\$47.63 \times 125\% = \$59.54$
- Procedure code 86701 QW has a 2024 allowable of  $\$8.89 = \$11.11$
- Procedure code 86702 has a 2024 allowable of  $\$13.52 = \$16.90$
- The total MAR is  $\$87.55$

3. The total recommended reimbursement for the disputed services is  $\$87.55$ . 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 additional reimbursement is due.

**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 Indemnity Insurance Co of North America must remit to Hendrick Medical Center \$87.55 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

**Authorized Signature**

		February 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](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, please 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 electronico [CompConnection@tdi.texas.gov](mailto:CompConnection@tdi.texas.gov).