



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Gulf Coast Orthopedics

**Respondent Name**

Zenith Insurance Co

**MFDR Tracking Number**

M4-25-0988-01

**Carrier's Austin Representative**

Box Number 47

**DWC Date Received**

January 7, 2025

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
August 15, 2024	24343	\$3,717.00	\$1,786.84

### Requestor's Position

The requestor did not submit a position statement with this request for MFDR. They did submit a copy of a document dated November 6, 2024 that states, "...24343 qualifies for separate reimbursement from 24615. Per the Operative note, the 24343 was not performed a part of the treatment of (redacted). 24343 was performed to repair the (redacted) through a separate incision on the (redacted) for treatment of (redacted)."

**Amount in Dispute:** \$3,717.00

### Respondent's Position

"Pursuant to NCCI Edits, CPT codes 24615, and 24635 have a Procedure to Procedure Edit conflict with CPT code 24343. A modifier is allowed to override this relationship. ...modifier 59 billed with 24343 was not supported by the submitted documentation."

**Response submitted by:** The Zenith

## 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 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
2. [28 TAC §134.402](#) sets out the fee guidelines for ambulatory surgical centers.

### Denial Reasons

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

- 236 – This procedure or procedure/modifier combination is not compatible with another procedure or procedure/modifier combination provided on the same day according to the NCCI or workers compensation state regulations/fee schedule requirements.
- 435 – TX Per NCCI edits, the value of this procedure is included in the value of the comprehensive procedure.

### Issues

1. Is the insurance carriers' position supported?
2. What rule applies for determining reimbursement for the disputed services?
3. Is the requester entitled to additional reimbursement?

### Findings

1. The requestor is seeking reimbursement for code 24343 – surgical repair of the lateral collateral ligament, rendered on August 15, 2024 in an ambulatory surgical center. The insurance carrier denied the service based on the NCCI edits. In their position statement, the respondent states "...modifier 59 billed 24343 was not supported by the submitted documentation. ...as both were done through the same incision at the same location." Modifier 59 is used to indicate a procedure or service was distinct or independent from other services performed on the same day. Review of the submitted "Operative Report" indicates, "*A longitudinal incision was made over the posterior aspect of the (redacted)... ...A curvilinear incision was made overlying the supracondylar ridge and radial shaft centered at the lateral epicondyle...*" While both procedures were performed on the [redacted] the operative report does indicate two separate incisions were made. The second incision was utilized to determine the rupture of the lateral ulnar collateral ligament. The use of the 59 modifier is supported. The insurance carrier's denial and position statement is not supported.

2. DWC Rule 28 TAC §134.402 (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 10.1.2 specifically Ambulatory Surgical Center Services on ASC list. Beginning with the implementation of the 2008 revised payment system, the labor related adjustments to the ASC payment rates are based on the Core-Based Statistical Area (CBSA) methodology. Payment rates for most services are geographically adjusted using the pre-reclassification wage index values that CMS uses to pay non-acute providers. The adjustment for geographic wage variation will be made based on a 50 percent labor related share.

DWC Rule 28 TAC §134.402 (f) states in pertinent part the reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the Federal Register.

Procedure Code 24343 has a payment indicator of G2 – Non-office-based surgical procedure and is subject to multiple procedure discounting. The DWC Rule 28 TAC 134.402 (f) (2) states in pertinent part reimbursement for non-device intensive procedures shall be the Medicare ASC facility reimbursement amount multiplied by 235 percent. The following formula was used to calculate the MAR:

- The Medicare ASC reimbursement for code 24343 for applicable date of service is \$1,518.75.
- The Medicare ASC reimbursement is divided by 2 = \$759.37.
- This number multiplied by the CBSA for Houston, Texas of 1.0026 = \$761.35.
- Add these two together = \$1,520.72.
- To determine the MAR, multiply the geographically adjusted Medicare ASC reimbursement by the DWC payment adjustment factor of 235% = \$3,573.69 reduced by 50% (multiple procedure discount) is \$1,786.84.

3. The DWC finds the MAR for CPT code 24343 is \$1,786.84. 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 service. It is ordered that Zenith Insurance Co must remit to Gulf Coast Orthopedics \$1,786.84 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

### Authorized Signature

_____	_____	February 12, 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 electrónico [CompConnection@tdi.texas.gov](mailto:CompConnection@tdi.texas.gov).