TDI Division of Workers' Compensation
PO Box 12050 | Austin, TX 78711 | 800-252-7031 | tdi.texas.gov/wc

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Peak Integrated Healthcare

Respondent Name
Starr Indemnity & Liability Co

MFDR Tracking Number
M4-25-1005-01

Carrier's Austin Representative
Box Number 19

DWC Date Received
January 10, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
October 29, 2024	97710-GP	$360.66	$274.76
October 29, 2024	97112-GP	$17.07	$0.00
November 4, 2024	97710-GP	$360.66	$274.76
November 4, 2024	97112-GP	$17.07	$0.00
	Total	$755.46	$549.52

Requestor's Position

"These bills were denied FULL PAYMENT stating, 'CHARGE EXCEEDS UNIT VALUE AND SERVICES NOT DOCUMENTED,.' This is INCORRECT. We have attached all necessary documentation to process and pay for services, AND we were approved for this level of treatment. Therefore, these dates of service should be paid in full."

Amount in Dispute: $755.46

Respondents' Position

"The denial of CPT 97110 is correct. The submitted documentation supports for exercises and time, but the documentation does not support the sets and reps and do not meet the 8- minute rule. The Fee Schedule allowable of code 97112 has been confirmed to be correct."

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 §134.203 sets out the fee guideline for professional medical services.
3. 28 TAC §134.600 sets out the preauthorization guidelines for specific treatments and services.

Denial Reasons

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

- 5405 - This charge was reviewed through the clinical validation program
- 5721 - To avoid duplicate bill denial for all reconsiderations/adjustments/additional payment requests, submit a copy of this EOR or clear notation.
- 193 - Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- B12-3, B12-4 - Services not documented in patients' medical records.
- 119, 90409 - Benefit maximum for this time period or occurrence has been reached.
- 5283-1 - Additional allowance is not recommended as this bill was reviewed in accordance with state guidelines, usual and customary policies, providers contract, or carrier decision.
- 163-1 - Claim/service adjusted because the attachment referenced on the claim was not received.
- 00663 - Reimbursement has been calculated based on the state guidelines
- 93 - No Claim level Adjustments.
- P12 - Workers' compensation Jurisdictional fee schedule adjustment

Issues

1. Did the Insurance Carrier take final action on the bill for the disputed service before medical fee dispute resolution was requested?
2. Is the Insurance Carrier's denial reason(s) supported?
3. Is the Requestor entitled to reimbursement?

Findings

1. The requestor seeks reimbursement for CPT Codes 97710-GP and 97112-GP rendered on October 29, 2024, and November 4, 2024. The insurance carrier reduced the disputed services with reduction codes indicated above.

   A review of the disputed service, 97112 GP finds that the insurance carrier issued a payment of $120.97, and the requester seeks additional payment of $17.07. To determine if proper reimbursement was issued the DWC applies 28 TAC §134.203.

   A review of the disputed service 97110 GP finds that the insurance carrier issued a $0.00 payment and denied the disputed service with denial reduction code "B12-3, B12-4 - Services not documented in patients' medical records. A review of the medical records finds the requester documented 6 units of CPT code 97110 for date of service October 29, 2024, and November 4, 2024.

   The insurance carrier also denied disputed CPT code 97110-GP with denial reduction code "119, 90409 - Benefit maximum for this time period or occurrence has been reached."

   A review of the preauthorization issued by MedInsight finds that requestor obtained authorization for CPT code 97110 x 6 and 97112 x2 to be provided between September 9, 2024 to December 9, 2024. The division finds that the disputed service was rendered within the preauthorized timeframes. The insurance carrier submitted no evidence to support that the benefit maximum for this time period or occurrence was reached. The DWC finds that the insurance carrier's denial reason is not supported. The requestor is therefore entitled to reimbursement, pursuant to 28 TA §134.203.

2. The fee guidelines for disputed services are found at 28 TAC §134.203.

   28 TAC §134.203(a)(5) states, "'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."

   The requestor billed the following CPT Codes 97710-GP and 97112-GP. The description of each code is indicated below:

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

   CPT Code 97712 – "Therapeutic procedure, 1 or more areas, each 15 minutes; neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and/or proprioception for sitting and/or standing activities."

   The requestor appended the "GP" modifier to both codes. The "GP" modifier is described as "Services delivered under an outpatient physical therapy plan of care."

3. Medicare Claims Processing Manual Chapter 5, 10.3.7-effective June 6, 2016, titled Multiple Procedure Payment Reductions 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 the 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.

For 2024 the codes subject to MPPR are found in CMS 1693F the CY 2024 PFS Final Rule Multiple Procedure Payment Reduction Files. Review of that list finds that CPT Codes 97110 and 97112 are subject to the MPPR policy.

The chart below outlines the ranking for PE payment for each of the codes billed by the health care provider.

CPT Code	Practice Expense
97110	0.42
97112	0.50

As shown above, CPT Code 97112 has the highest PE payment amount the services billed by the provider that day, therefore, the reduced PE payment applies to all other services.

4. 28 TAC §134.203 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..."

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

- MPPR rates are published by carrier and locality.
- The services were provided in Dallas, TX.
- The carrier code for Texas is 4412 and the locality code for Dallas is 11.

CPT Code	Medicare Fee Schedule (1st unit)	MPPR for subsequent units
97110 x 6		$22.48
97112 x 2	$33.88	$25.50

To determine the MAR the following formula is used: (DWC Conversion Factor/Medicare Conversion Factor) X Medicare Payment = Maximum Allowable Reimbursement (MAR).

- The 2024B DWC Conversion Factor is 67.81
- The 2024B Medicare Conversion Factor is 33.2875
- Per the medical bills, the services were rendered in Dallas, TX

Date of Service	CPT Code	# Units	CMS Payment	MAR	Insurance Carrier Paid	Amount Sought	Recommended Amount
October 29, 2024	97110	6	$22.48	$45.79 x 6 = $274.76	$0.00	$360.66	$274.76
October 29, 2024	97112	2	1st Unit $33.88 2nd Unit $25.50	1st Unit $69.02 2nd Unit $51.95 =$120.97	$120.97	$17.07	$0.00
November 4, 2024	97110	6	$22.48	$45.79 x 6 = $274.76	$0.00	$360.66	$274.76
November 4, 2024	97112	2	1st Unit $33.88 2nd Unit $25.50	1st Unit $69.02 2nd Unit $51.95 =$120.97	$120.97	$17.07	$0.00

Reimbursement of $549.52 is recommended for date(s) of service October 29, 2024, and November 4, 2024.

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 reimbursement of $549.52 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to reimbursement for the disputed services. It is ordered that the Respondent must remit to the Requestor $549.52 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	February 19, 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.