



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

Baylor Orthopedic & Spine Hosp

**Respondent Name**

Texas Mutual Insurance Co.

**MFDR Tracking Number**

M4-25-1014-01

**Carrier's Austin Representative**

Box Number 54

**DWC Date Received**

January 13, 2025

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 24, 2024	27650	\$639.99	\$8.88

### Requestor's Position

"The attached claim not paid according to the 2024 Texas work comp Fee Schedule. We are disputing the allowed amount of the attached claim... The following is a breakdown of how this claim should have processed ...

CPT 27650 allows \$12450.20 (pays at 200%) = \$12450.20

Claim Allowed Total= \$12450.20

Less payment made of \$11810.21

\*\*\*We are owed an additional payment of \$639.99."

**Amount in Dispute:** \$639.99

### Respondent's Position

"On 10/08/2024, Texas Mutual received bill control #19072615 in the amount of \$32,791.57. The UBO4 did have a request for implant reimbursement in box 80. Reimbursement was made as follows; CPT 27650-LT was reimbursed at APC/OPPS rate = 130% for a total of \$8,532.65.

Implants were reimbursed at implant cost \$2,979.60 + 10% (\$297.96) for a total of \$3,277.56. The billing form and EOB are attached. Our position is that no payment is due.”

**Response submitted by:** Texas Mutual Insurance Co.

## 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 §133.250](#) sets out reconsideration of medical bill requirements.
3. [28 TAC §133.20](#) sets out requirements of timely medical bill submission.
4. [28 TAC §134.403](#) sets out the fee guidelines for outpatient hospital services.

### Adjustment Reasons

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

- 370 - THIS HOSPITAL OUTPATIENT ALLOWANCE WAS CALCULATED ACCORDING TO THE APC RATE, PLUS A MARKUP.
- 768 - REIMBURSED PER O/P FG AT 130% SEPARATE REIMBURSEMENT FOR IMPLANTABLES (INCLUDING CERTIFICATION) WAS REQUESTED PER RULE 134.403(G).
- D25 - APPROVED NON-NETWORK PROVIDER FOR WORKWELL, TX NETWORK CLAIMANT PER RULE 1305.153 (C).
- 897 - SEPARATE REIMBURSEMENT FOR IMPLANTABLES MADE IN ACCORDANCE WITH DWC RULE CHAPTER 134; SUBCHAPTER (E) HEALTH FACILITY FEES.
- P12 – WORKERS’ COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT.
- W3 & 350 - IN ACCORDANCE WITH TDI-DWC RULE 134.804, THIS BILL HAS BEEN IDENTIFIED AS A REQUEST FOR RECONSIDERATION OR APPEAL.
- DC4 - NO ADDITIONAL REIMBURSEMENT ALLOWED AFTER RECONSIDERATION.
- DC7 - DUPLICATE APPEAL. NETWORK CONTRACT APPLIED BY WORKWELL, TX NETWORK.
- 716 - A DENIAL WAS MADE BECAUSE THE PROVIDER AND/OR DIFFERENT PROVIDER HAS BILLED FOR THE SERVICES.

## Issues

1. What rules apply to the services in dispute?
2. Did the requestor, Baylor Orthopedic and Spine Hospital, request separate reimbursement for surgical implantable products on the medical bill in accordance with applicable rules?
3. Have the services in dispute been previously reimbursed?
4. Is the requester entitled to additional reimbursement?

## Findings

1. The requester is seeking additional reimbursement in the amount of \$639.99 for outpatient facility charges rendered June 24, 2024.

DWC Rule 28 TAC §134.403 (d), which applies to the services in dispute, 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).

DWC Rule 28 TAC §134.403 (e) states in pertinent part, "regardless of billed amount, when no specific fee schedule or contract exists, reimbursement shall be the maximum allowable reimbursement (MAR) amount under subsection (f) of this section including any applicable outlier payment amounts and reimbursement for implantables."

DWC Rule 28 TAC §134.403 (f) states in pertinent part "the reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*. The following minimal modifications shall be applied. (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:

(A) 200 percent; unless

(B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent...

(g) Implantables, when billed separately by the facility or a surgical implant provider in accordance with subsection (f)(1)(B) of this section, shall be reimbursed at the lesser of the manufacturer's invoice amount or the net amount (exclusive of rebates and discounts) plus 10 percent or \$1,000 per billed item add-on, whichever is less, but not to exceed \$2,000 in add-ons per admission."

2. A review of the submitted documentation finds the following copies of medical bills for the disputed outpatient facility services rendered on June 24, 2024:
  - Submitted by the requestor, two copies of a medical bill in the total billed amount of \$22,021.17, created on January 8, 2025. Separate reimbursement for surgical implantable products was not requested in Box 80 of the UB04 medical bill form in accordance with 28 TAC §134.403, on this medical bill. This bill was marked as a "Reconsideration".
  - Submitted by the insurance carrier, one copy of a medical bill in the total billed amount of \$32,791.57, created on August 15, 2024. DWC finds a request for separate reimbursement of surgical implantable products in Box 80 of the UB04 medical bill form, in accordance with 28 TAC §134.403, on this medical bill.

28 TAC §133.250 which sets out reconsideration of medical bill requirements, states in pertinent part "(a) If the health care provider is dissatisfied with the insurance carrier's final action on a medical bill, the health care provider may request that the insurance carrier reconsider its action... (d) A written request for reconsideration shall: (1) reference the original bill and include the same billing codes, date(s) of service, and dollar amounts as the original bill;"

DWC finds that the medical bill created on January 8, 2025, marked as a reconsideration, had a different dollar amount of charges from the original medical bill created on August 15, 2024. Therefore, the medical bill created on January 8, 2025, is not a request for reconsideration in compliance with 28 TAC §133.250.

28 TAC §133.20 which sets out requirements of timely medical bill submission, 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."

DWC finds that the medical bill created on January 8, 2025, was submitted more than 95 days from the date of service, June 24, 2024. DWC finds that this bill was not submitted timely in accordance with 28 TAC §133.20.

For reasons outlined above, the medical bill created on January 8, 2025, will not be considered going forward in this review.

DWC finds that per a review of the original medical bill created on August 15, 2024, Baylor Orthopedic and Spine Hospital requested separate reimbursement for surgical implantable products in accordance with 28 TAC §134.403.

3. Per review of the submitted explanation of benefits (EOB) dated November 14, 2024, the insurance carrier previously issued a payment in the amount of \$3,277.56 for one unit of surgical implant code C1713, and in the amount of \$8,532.65 for procedure code 27650, Achilles tendon surgical repair.

DWC finds that the outpatient surgical services in dispute have been previously reimbursed in the total amount of \$11,810.21.

4. The requestor is seeking additional reimbursement in the amount of \$639.99 for outpatient surgical services rendered June 24, 2024. Specifically, the requestor is seeking additional reimbursement for procedure code 27650.

CPT code 27650 is described as surgical repair, primary, open or percutaneous, ruptured Achilles tendon and has a payment status indicator of J1. For codes designated with payment status indicator J1, a single payment is provided for the primary service, and payment for all adjunctive services reported on the same claim are packaged into the payment for the primary service. Separate reimbursement of the surgical implantable product was requested on the medical bill in accordance with 28 TAC §134.403, therefore calculations are shown below accordingly.

The Medicare facility specific amount is calculated when the APC payment rate is multiplied by 60% to determine the labor portion. This amount is multiplied by the facility wage index for the date of service. The non-labor amount is determined when the APC payment rate is multiplied by 40%. The sum of the labor portion multiplied by the facility wage index and the non-labor portion determines the Medicare specific amount.

Review of the submitted medical bill in accordance with the applicable fee guidelines referenced above is shown below.

For procedure code 27650:

- Procedure code 27650 has status indicator J1, for outpatient comprehensive packaging.
- This code is assigned APC 5114. The OPSS Addendum A rate is \$6,823.42 multiplied by 60% for an unadjusted labor amount of \$4,094.052, in turn multiplied by facility wage index 0.9382 for an adjusted labor amount of \$3,841.039.
- The non-labor portion is 40% of the APC rate, or \$2,729.368.
- The sum of the adjusted labor amount and the non-labor portion is \$6,570.407. Therefore, the Medicare facility specific amount is \$6,570.407.
- The facility provider requested separate reimbursement for implantable items on the medical bill. Therefore, in accordance with 28 TAC §134.403 the Medicare facility specific amount is multiplied by 130% for a MAR of \$8,541.53.
- A review of the submitted EOB finds that the insurance carrier allowed reimbursement in the amount of \$8,532.65 for procedure code 27650.

For separate implant reimbursement:

- Per the submitted itemized statement, the requester charged for implantable items billed under code C1713 in the amount of \$2,979.60.
- A review of the submitted operative report and implant invoice finds that the following products were implanted: Anchor 3.9MM BC Achilles x one unit.

- Anchor 3.9MM BC Achilles x one unit billed under procedure code C1713 and revenue code 278, has a supported cost of \$2,979.60.
- Supported cost of one unit of the implant plus 10% is \$2,979.60 + \$297.96 = \$3,277.56 implant MAR.
- A review of the submitted EOB dated November 14, 2024, finds that the insurance carrier allowed reimbursement for the implant billed under code C1718 in the amount of \$3,277.56.

Total MAR for outpatient surgery services rendered on the disputed date:

- DWC finds that the total MAR for outpatient surgery services rendered on the disputed date of service is \$11,819.09.
- A review of the submitted EOBs finds that the insurance carrier allowed payment in the total amount of \$11,810.21 for the disputed outpatient surgical services rendered on June 24, 2024.
- Additional reimbursement in the amount of \$8.88 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 that the requestor has established that additional reimbursement is due in the amount of \$8.88.

**Order**

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement for the disputed date of service June 24, 2024. It is ordered that the Respondent, Texas Mutual Insurance Co., must remit to the Requestor, Baylor Orthopedic and Spine Hospital, \$8.88 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

**Authorized Signature**

		March 27, 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).