



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requestor Name**

University Medical Center

**Respondent Name**

National American Insurance Co

**MFDR Tracking Number**

M4-25-1418-01

**Carrier's Austin Representative**

Box Number 47

**DWC Date Received**

February 3, 2025

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 10 – 21, 2024	Inpatient Stay	\$11,540.86	\$11,540.86
<b>Total</b>		\$11,540.86	\$11,540.86

### Requestor's Position

"UMC's position is that National American Insurance owes additional money in the amount of \$11,540.86 as this was a level 1 trauma patient."

**Amount in Dispute:** \$11,540.86

### Respondent's Position

"The HCP included with their original and reconsideration bills, copies of what appears to be Purchase Orders and not manufacturer's invoices dated 6/28/24 (after the DOS in question). Purchase Orders do not provide what the manufacturer charge for the implant purchases – which is the purpose of the requirement in the above-listed rule."

**Response Submitted by:** Corvel

### 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 §133.10](#) details requirements of medical bill submission when separate reimbursement of implants is requested.
3. [28 TAC §134.404](#) sets out the acute care hospital fee guideline for inpatient services.

## Denial Reasons

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

- 16 – Svc lacks info needed or has billing error(s)
- 226 – Info requested was not provided or was insuff
- B13 – Payment for service may have been previously paid
- W3 – Appeal/Reconsideration

## Issues

1. Is the respondent's position statement supported?
2. What is the applicable rule for determining reimbursement for the disputed services?
3. Is the requestor entitled to additional payment?

## Findings

1. The insurance carrier indicates in their response to MFDR, "...As indicated above, when a separate requests for implants is indicated, the payable inpatient services are paid at the reduced percentage multiplier of 108%..." DWC Rule 28 TAC §133.10 (2) (QQ) states "remarks (UB-04/field 80) is required when separate reimbursement for surgically implanted devised is requested," Review of the submitted medical bill found box 80 did not contain a request for separate implant reimbursement nor was a reconsideration done with a corrected claim to indicate separate implant reimbursement. As such, the respondent's statement is not supported, the services in dispute will be reviewed per applicable inpatient hospital reimbursement rules.
2. This dispute regards inpatient hospital facility services rendered in June of 2024 in Lubbock Texas. The insurance carrier reduced the payment based on lacking information. As stated above, the submitted medical bill did not include a separate request for implants in box 80. As such, no invoices were required to adjudicate the medical bill.

The disputed services will be reviewed per applicable fee guideline.

3. The payment of inpatient hospital services is subject to DWC Rule 28 TAC §134.404(f), that requires the maximum allowable reimbursement (MAR) to be the Medicare facility specific amount (including outlier payments) applying Medicare Inpatient Prospective Payment System (IPPS) formulas and factors, as published annually in the Federal Register, with modifications set forth in the rules. Medicare IPPS formulas and factors are available from the Centers for Medicare and Medicaid Services at <http://www.cms.gov>.

The division calculates the Medicare facility specific amount using Medicare's *Inpatient PPS PC Pricer* as a tool to efficiently identify and apply IPPS formulas and factors. This software is freely available from [www.cms.gov](http://www.cms.gov).

Note: the "VBP adjustment" listed in the *PC Pricer* was removed in calculating the facility amount for this admission. Medicare's Value-Based Purchasing (VBP) program is an initiative to improve quality of care in the Medicare system. However, such programs conflict with Texas Labor Code sections 413.0511 and 413.0512 regarding review and monitoring of health care quality in the Texas workers' compensation system. Rule §134.404(d)(1) requires that specific Labor Code provisions and division rules take precedence over conflicting CMS provisions for administering Medicare. Consequently, VBP adjustments are not considered in determining the facility reimbursement.

Separate reimbursement for implants was not requested. DWC Rule 28 TAC §134.404(f)(1)(A) requires that the Medicare facility specific amount be multiplied by 143%.

Review of the submitted medical bill and supporting documentation finds the assigned DRG code to be 958. The service location is University Medical Center, Lubbock, Texas. Based on DRG code, service location, and bill-specific information, the Medicare facility specific amount is 39,836.56 (less VBP adjustment -36.68) equals \$39,799.32. This amount multiplied by 143% results in a MAR of \$56,913.03.

2. The total recommended payment for the services in dispute is \$56,913.03. The insurance carrier paid \$43,023.48. The requestor is entitled to an additional payment of \$11,540.86. 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 National American Insurance Co must remit to University Medical Center \$11,540.86 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

### **Authorized Signature**

Signature \_\_\_\_\_

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

\_\_\_\_\_  
March 28, 2025

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).