TDI Division of Workers' Compensation
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Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Doctors Hospital at Renaissance

Respondent Name
Liberty Mutual Fire Insurance

MFDR Tracking Number
M4-25-1980-01

Carrier's Austin Representative
Box Number 60

DWC Date Received
April 17, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
September 5, 2024	26418	$2,834.44	$0.00
September 5, 2024	94640	$376.16	$0.00
September 5, 2024	96374	$378.00	$0.00
September 4 - 5, 2024	Outpatient Facility Medical Services	$0.00	$0.00
	Total	$3,588.60	$0.00

Requestor's Position

Excerpt from Request for Reconsideration dated January 28, 2025: "After reviewing the account we have concluded that reimbursement received was inaccurate. Based on CPT Code 26776, allowed amount of $2854.21, multiplied at 200%, CPT Code 26418, allowed amount of $1417.22, multiplied at 200%, CPT Code 94640, allowed amount of $188.08, multiplied at 200% and CPT Code 96374, allowed amount of $189.00, multiplied at 200% reimbursement should be $9,297.02. Payment received was only $5,708.42 thus, according to these calculations; there is a pending payment in the amount of $3,588.60."

Amount in Dispute: $3,588.60

Respondent's Position

"We have again reviewed payment for the services of 09/05/2024, by Doctors Hospital at Renaissance and determined that reimbursement was issued according to the guidelines provided by the Texas Medical Fee Schedule. No additional payment is due."

Response submitted by: Liberty Mutual Insurance

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 §134.403 sets out the fee guidelines for outpatient hospital services.

Adjustment Reasons

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

- 4915 - The charge for the services represented by the code is included/ bundled into the total facility payment and does not warrant a separate payment or the payment status indicator determines the service is packaged or excluded from payment.
- 906 - In accordance with clinical based coding edits (national correct coding initiative/outpatient code editor), component code of comprehensive medicine, evaluation and management services procedure (90000-99999) has been disallowed.
- 193 - Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- 97 - The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.

Issues

1. What rules apply to the services in dispute?
2. Is the requestor entitled to reimbursement for CPT code 26418?
3. Is the requestor entitled to reimbursement for CPT codes 94640 and 96374?

Findings

1. This medical fee dispute involves outpatient facility charges rendered on September 4, 2024 through September 5, 2024.

   DWC Rule 28 TAC §134.403, which sets out the fee guidelines for outpatient hospital services, states in pertinent part, "(d) For coding, billing, reporting, and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided with any additions or exceptions specified in this section…"

   The Medicare payment policy applicable to the services in dispute is found at 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 (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…"

2. The requestor is seeking reimbursement in the amount of $2,834.44 for CPT code 26418 rendered on September 5, 2024.

   On the date of service in dispute, the requestor rendered outpatient surgical services billed under CPT code 26776, not in dispute. Per Medicare OPPS Addendum B, this code has an APC status indicator of J1, for outpatient comprehensive packaging.

   Per the Centers for Medicare and Medicaid (CMS) Integrated Outpatient Code Editor, 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.

   The CPT code 26776 is used to describe "Percutaneous skeletal fixation of interphalangeal joint dislocation, single, with manipulation… may involve the use of implants such as pins or screws." Per Medicare Addendum J CY2024, which lists the ranks used to determine primary assignment of comprehensive HCPCS codes, code 26776 has a ranking of 2068.

   On the disputed date of service, the requestor also rendered the disputed outpatient surgical service billed under CPT code 26418, which is described as "Repair, extensor tendon, finger, primary or secondary; without free graft, each tendon." Per Medicare OPPS Addendum B, this

code also has an APC status indicator of J1. Per Medicare Addendum J CY2024, code 26418 has a ranking of 2990.

DWC finds that of the two surgical codes billed on the disputed claim, both having status indicator J1, CPT code 26776 is the only payable code, as it is ranked as primary, under which all other services billed on the same claim are packaged for payment.

Per the explanation of benefits submitted, the insurance carrier previously issued a payment in the amount of $5,708.42 for the primary ranked code, 26776, rendered on September 5, 2024.

According to the Medical Fee Dispute Resolution Request (form DWC060) submitted, CPT code 26776 is not in dispute. DWC finds that for the reasons indicated above, the requestor is not entitled to reimbursement for the disputed service of CPT code 26418 rendered on September 5, 2024.

3. The requestor is seeking reimbursement in the amount of $376.16 for CPT code 94640 and in the amount of $378.00 for CPT code 96374, rendered on September 5, 2024. Per Medicare OPPS Addendum B, these codes are found to have APC status indicators of Q1 and S, respectively.

   As discussed in finding number two, on the same date of service, the requestor rendered outpatient surgical services billed under CPT code 26776, which is found to have an APC status indicator of J1, for outpatient comprehensive packaging, and is ranked as the primary code in this disputed claim. Consequently, DWC finds CPT code 26776 to be the only payable code in this disputed claim, under which all other services billed on the same claim are packaged for payment. Per the explanation of benefits, the insurance carrier previously issued reimbursement in the amount of $5,708.42 for the primary ranked code, 26776, rendered on September 5, 2024. DWC finds that the reimbursement for CPT code 26776 is not in dispute.

   For the reasons indicated above, DWC finds that the requestor is not entitled to reimbursement for the disputed CPT codes 26418, 94640 and 96374 rendered on September 5, 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 that the requestor has not established that additional reimbursement is due.

Order

Under the Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is entitled to additional reimbursement in the amount of $0.00 for the services in dispute.

Authorized Signature

Signature	Medical Fee Dispute Resolution Officer	May 14, 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. 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.