



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requester Name**

Memorial Hermann  
Surgical

**Respondent Name**

Zurich American Insurance Co.

**MFDR Tracking Number**

M4-25-2111-01

**Carrier's Austin Representative**

Box Number 19

**DWC Date Received**

May 5, 2025

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
September 24, 2024	C1713	\$6,236.23	\$0.00

### Requester's Position

"The charges were not paid correctly per TX work comp guidelines. According to TX Rule 134.402, implants should be reimbursed at manual cost plus 10%, and implant invoices are enclosed for review."

**Amount in Dispute:** \$6,236.23

### Respondent's Position

"Payment has been made for \$476.96."

**Response Submitted by:** Broadspire

## Findings and Decision

### Authority

This medical fee dispute is decided according to [Texas Labor Code \(TLC\) §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.

### Denial Reasons

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

\*Note that the only explanation of benefits (EOB) submitted that shows legible adjustment reason codes is the EOB dated May 21, 2025.

- P13 – PAYMENT REDUCED OR DENIED BASED ON WORKERS' COMPENSATION JURISDICTIONAL REGULATIONS OR PAYMENT POLICIES.
- 885 - REVIEW OF THIS CODE HAS RESULTED IN AN ADJUSTED REIMBURSEMENT.
- W3 & 350 – IN ACCORDANCE WITH TDI-OWC RULE 134.804, THIS BILL HAS BEEN IDENTIFIED AS A REQUEST FOR RECONSIDERATION OR APPEAL.

### Issues

1. What rules apply to the reimbursement of the service in dispute?
2. Has the service in dispute previously received reimbursement?
3. Is the requester entitled to additional reimbursement?

### Findings

1. This dispute involves outpatient hospital facility services in which separate reimbursement for surgical implantable items was requested on the medical bill.

DWC finds that 28 TAC §134.403 applies to the reimbursement of the services in dispute.

28 TAC §134.403(e) states in pertinent part, "Regardless of billed amount, reimbursement shall be: ... (2) if no contracted fee schedule exists that complies with Labor Code §413.011, 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.”

Per 28 TAC §134.403 (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-on's per admission.”

2. The procedure code in dispute, C1713, represents surgical implantable products. The health care provider requested separate reimbursement of the surgical implants on the medical bill.

A review of the EOB dated December 4, 2024, finds that the insurance carrier reimbursed the requester in the amount of \$1,943.61 for procedure code C1713. A review of the EOB dated May 21, 2025, finds that the insurance carrier allowed additional reimbursement in the amount of \$476.96 after reconsideration of the claim.

DWC finds that the requester has previously been reimbursed a total amount of \$2,420.57 for the disputed procedure code C1713, rendered on September 24, 2024.

3. The requester is seeking additional reimbursement in the amount of \$6,236.23 for surgical implantable items billed under disputed procedure code C1713. A review of the submitted medical bill finds that the facility provider requested separate reimbursement for the surgical implantable items.

A review of the submitted itemized statement finds that the requester charged for implantable items billed under code C1713 in the total amount of \$5,669.32. DWC Rule 28 TAC §134.403 requires that when separate implant reimbursement is requested, regardless of the billed amount, surgical implantables shall be reimbursed at manufacturer's invoice amount plus ten percent, not to exceed \$2,000.00 in add-ons per admission.

Procedure code C1713 is described as “Anchor/screw for opposing bone-to-bone or soft tissue-to-bone (implantable)”.

Per review of the submitted itemized statement and implant invoices, in accordance with Rule 28 TAC §134.403, DWC finds that 5 items were billed under Revenue Code 278 with procedure code C1713.

A review of the invoices submitted in support of implant costs finds the following:

- The first invoice is dated October 2, 2024, with a shipment date of October 2, 2024.
- The second invoice is dated November 18, 2024, with a shipment date of November 18, 2024.

DWC finds that the invoices submitted in support of the cost of the implants show an order date and shipment date occurring after the disputed date of service, September 24, 2024. Therefore, DWC finds that the requester has not supported the cost of the implants in dispute.

DWC finds that the requester is not entitled to additional reimbursement for the disputed service rendered on September 24, 2024, billed under procedure code C1713.

### Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requester and the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has not established that additional reimbursement is due.

### **Order**

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requester is entitled to \$0.00 additional reimbursement for the disputed services.

### **Authorized Signature**

\_\_\_\_\_  
Signature

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

July 23, 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 three 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 tres o correo electrónico [CompConnection@tdi.texas.gov](mailto:CompConnection@tdi.texas.gov).