



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

James Bales, M.D.

Respondent Name

AIG Property Casualty Co.

MFDR Tracking Number

M4-25-2135-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

May 6, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
January 31, 2025	Designated Doctor Examination 99456-W5	\$132.00	\$132.00

Requester's Position

"On 01/31/2025, Dr. James Bales performed a Texas Department of Insurance Division of Workers' Compensation ordered Designated Doctor Exam. Dr. Bales was asked to determine MMI/IR and EOI. On 2/8/2025, we billed AIG Property Casualty Co. for services rendered.

"We billed a total of \$2026.00 for this claim but were paid \$1894.00. The explanation given on the EOB justifying the denial states: Jurisdictional Fee Schedule Adjustment. The reduction of parts of this claim is in violation of the rules of the Texas Department Insurance Division of Workers' Compensation as this service was ordered on the DWC-32."

Amount in Dispute: \$132.00

Respondent's Position

The Austin carrier representative for AIG Property Casualty Co. is Flahive, Ogden & Latson. The representative was notified of this medical fee dispute on May 13, 2025.

Per 28 Texas Administrative Code §133.307(d)(1), if DWC does not receive the response within 14 calendar days of the dispute notification, then DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

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. [TLC §408.0041](#) sets out the requirements for designated doctor examinations.
2. [28 Texas Administrative Code \(TAC\) §130.1](#) sets out the procedures for designated doctor examinations.
3. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
4. [28 TAC §134.210](#) sets out the fee guidelines for division-specific services.
5. [28 TAC §134.240](#) sets out the fee guidelines for designated doctor examinations.

Denial Reasons

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

- 197-1 – Precertification/authorization/notification/pre-treatment absent.
- P12-1 – Workers' compensation jurisdictional fee schedule adjustment.
- XXG15 – Pricing is calculated based on the medical professional fee schedule value.
- XXU00 – There was no UR procedure/treatment request received.
- 00663 – Reimbursement has been calculated based on the state guidelines.

Issues

1. Is the insurance carrier's denial based on preauthorization supported?
2. Is James Bales, M.D. entitled to additional reimbursement?

Findings

1. Dr. Bales is seeking additional reimbursement for a designated doctor examination to determine maximum medical improvement (MMI) and impairment rating (IR) performed on January 31, 2025. The insurance carrier reduced payment based on preauthorization.

TLC §408.0041(a) states in relevant part: "At the request of an insurance carrier or an employee, or on the commissioner's own order, the commissioner may order a medical examination to resolve any question about:

- (1) the impairment caused by the compensable injury;
- (2) the attainment of maximum medical improvement;

DWC finds that documentary evidence supports the fact that the commissioner ordered Dr. Bales to perform this examination.

Per 28 TAC §130.1(a)(1)(A)(ii), a doctor, serving in the role of a designated doctor may be authorized to perform an examination to determine maximum medical improvement and impairment rating.

TLC §408.0041(h)(1) states, in relevant part, that the insurance carrier is required to pay for "an examination required under Subsection (a), (f), or (f-2), unless otherwise prohibited by this subtitle or by an order or rule of the commissioner."

DWC finds that Dr. Bales was properly ordered to perform an examination to determine MMI and IR by the commissioner of DWC, serving in the role of a designated doctor. Therefore, the insurance carrier's denial based on preauthorization is not supported.

2. Because the insurance carrier did not support its reason for reduction, DWC will review the services for additional reimbursement.

Per 28 TAC §134.240(d), "When conducting a designated doctor examination, the designated doctor must bill, and the insurance carrier must reimburse, using CPT code 99456 and with the modifiers and rates specified in subsections (d)(1) - (7)."

28 TAC §134.240(d)(3) states, in relevant part, "MMI evaluations will be reimbursed at \$449 adjusted per §134.210(b)(4)."

28 TAC §134.240(d)(4) states, in relevant part, "For IR examinations, the designated doctor must bill, and the insurance carrier must reimburse, the components of the IR evaluation. The designated doctor must apply the additional modifier 'W5.' Indicate the number of body areas rated in the units column of the billing form."

Dr. Bales provided impairment ratings for the head and spine. Per subsection (A)(iii)(I), "the reimbursement for the first musculoskeletal body area is \$385 adjusted per §134.210(b)(4)." Subsection (B)(iii) states that "the reimbursement for the assignment of an IR in a non-musculoskeletal body area is \$192 adjusted per §134.210(b)(4)."

28 TAC §134.210(b)(4) states, "Fees established in §§134.235, 134.240, 134.250, and 134.260 of this title will be:

(A) ...

(B) adjusted annually by applying the MEI percentage adjustment factor identified in

§134.203(c)(2).

(C) rounded to whole dollars by dropping amounts under 50 cents and increasing amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

(D) effective on January 1 of each new calendar year.”

The adjusted reimbursement rate for the MMI portion of the examination in question for date of service January 31, 2025, is \$465.00. The adjusted reimbursement rate for the IR portion of this examination is \$398.00 for the spine and \$199.00 for the head.

The total allowable reimbursement for the services in question is \$1,062.00. Per explanation of benefits dated February 20, 2025, the insurance carrier paid \$930.00. DWC finds that Dr. Bales is entitled to an additional reimbursement of \$132.00.

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 established that additional reimbursement of \$132.00 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requester is entitled to additional reimbursement for the disputed services. It is ordered that AIG Property Casualty Co. must remit to James Bales, M.D. \$132.00 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

August 15, 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 three 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 tres o correo electrónico CompConnection@tdi.texas.gov.