



## Medical Fee Dispute Resolution Findings and Decision

### General Information

**Requester Name**

Baylor Surgical Hospital of Fort Worth

**Respondent Name**

State Office of Risk Management

**MFDR Tracking Number**

M4-25-2430-01

**Carrier's Austin Representative**

Box Number 45

**DWC Date Received**

June 3, 2025

### Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
November 14, 2024	C1713	\$381.42	\$0.00
November 14, 2024	C1781	\$283.50	\$0.00
<b>Total</b>		\$664.92	\$0.00

### Requester's Position

"Per EOB, CPT code C1713 was partially paid. According to TX Rule 134.402, implants should be reimbursed at manual cost plus 10%."

**Amount in Dispute:** \$664.92

### Respondent's Position

"Upon notification of this dispute, the Office researched Baylor Surgical Hospital of Fort Worth's medical billing and determined that reimbursement has been made for the charges in dispute. The disputed charges on the DWC60 do not match the UB-04 billing and itemized statement that was submitted to the Office. In review of the audit the implants billed under C1713 and C1781 were paid in full."

**Response Submitted by:** State Office of Risk Management (SORM)

## 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:

- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- 18 – Exact Duplicate Claim/Service

### Issues

1. What rules apply to the reimbursement of the services in dispute?
2. Have the services 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. A review of the submitted Medical Fee Dispute Resolution (MFDR) Request form DWC060, finds that the procedure codes in dispute are C1713 in the amount of \$381.42 and C1781 in the amount of \$283.50, for a total amount in dispute of \$664.92. The procedure codes in dispute represent surgical implantable products. The health care provider requested separate reimbursement of the surgical implants on the medical bill.

A review of the submitted medical bill finds that the requester charged \$3,814.54 for procedure code C1713 and charged \$2,835.00 for procedure code C1781. DWC finds that the requester charged a total amount of \$6,649.54 for the procedure codes in dispute.

A review of the submitted explanation of benefits dated February 12, 2025, finds that the insurance carrier reimbursed the requester in the amount of \$3,814.54 for procedure code C1713 and in the amount of \$2,835.00 for procedure code C1781.

DWC finds that the requester has previously been reimbursed with a total amount of \$6,649.54 for the procedure codes in dispute.

3. The requester is seeking additional reimbursement in the amount of \$664.92 for surgical implantable items billed under disputed procedure codes C1713 and C1781. 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 codes C1713 and C1781 in the total amount of \$6,649.54. 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)”.

Procedure code C1781 is described as "Mesh (implantable)".

Per review of the submitted operative report, implant log and implant invoices, in accordance with Rule 28 TAC §134.403, DWC finds the following:

Review of the itemized statement indicates 7 items were billed under Revenue Code 278 with procedure code C1713 and one item was billed under Revenue Code 278 and with procedure code C1781, for a total of 8 implantable items billed.

The submitted "Operative Report" documents the following products were implanted:

IMPLANTS: Arthrex Corkscrew 4.75M BC FT suture tape x 2 units; Arthrex Suture Anchor Swivelock x 2 unit; Rotation Cuff Staple/Tendon Anchor x 1 unit; Smith & Nephew Bone Anchor x 1 unit; Bioinductive Implant Mesh x 1 unit; Arthrex Knotless tension tight Button Implant x 1 unit. A total of 8 implantable items are documented in the submitted operative report.

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

- The invoice submitted for the Arthrex Corkscrew 4.75M implant cost is dated more than a year prior to the disputed date of service. Therefore, DWC finds that the cost of this implant is not supported.
- The invoice submitted for the Arthrex Suture Anchor Swivelock implant cost is dated more than a year prior to the disputed date of service. Therefore, DWC finds that the cost of this implant is not supported.
- Each Bone Anchor has a supported cost of \$725.00 x 1 unit = \$725.00.
- Each Bioinductive Implant Mesh has a supported cost of \$2,835.00 x 1 unit = \$2,835.00.
- Each Arthrex Knotless Button Implant has a supported cost of \$948.50 x 1 unit = \$948.50.
- The requester charged \$450.00 for a Tendon Staple/Anchor; however, a review of the submitted documentation finds that no support of cost for this implantable item was submitted to DWC. Therefore, DWC finds that the cost of this implant is not supported.

Per documentation submitted, the total supported cost of surgical implants for the disputed date of service November 14, 2024, is \$4,508.50 + 10% = \$450.85, for a total implant MAR of \$4,959.35.

Implant per the itemized statement	Item #	Cost/Unit	No. Units	Total Cost	10% not to exceed \$1000	Total Allowed Per Implantable
Suture anchor swivelock	AR- 2324BCT-2	Not supported	2	Not supported	N/A	\$0.00
Corkscrew 4.75M BC FT	AR-1927BCT	Not supported	2	Not supported	N/A	\$0.00
Anchors Bone 3 W Arthro	4403	\$725.00	1	\$725.00	\$72.50	\$797.50

Implant Mesh Bioinductive	4566	\$2,835.00	1	\$2,835.00	\$283.50	\$3,118.50
Knotless tension tight Button	AR-2350	\$948.50	1	\$948.50	\$94.85	\$1,043.35
Staple tendon Arthroscope	2504-1	Not supported	1	Not supported	N/A	\$0.00
		<b>Total:</b>	<b>8</b>	<b>\$4,508.50</b>	<b>\$450.85</b>	<b>\$4,959.35</b>

Therefore, in accordance with 28 TAC §134.403, DWC finds that the requester is entitled to reimbursement for surgical implantable items in the total amount of \$4,959.35.

A review of the submitted EOBs finds that the insurance carrier previously paid \$6,649.54 for surgical implantable items in dispute. Additional reimbursement is not recommended.

DWC finds that the requester is not entitled to additional reimbursement for the services in dispute billed under procedure codes C1713 and C1781.

### 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**

		July 9, 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 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).