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

General Information

Requester Name
NORTH CENTRAL SURGICAL HOSPITAL

Respondent Name
CHURCH MUTUAL INSURANCE CO.

MFDR Tracking Number
M4-25-2436-01

Carrier's Austin Representative
Box Number 17

DWC Date Received
June 3, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 21, 2025	J1885	$0.63	$0.00
February 21, 2025	73562	$66.04	$0.00
February 21, 2025	73590	$70.16	$0.00
February 21, 2025	96372	$42.00	$0.00
	Total:	$178.83	$0.00

Requester's Position

"Per EOB received bill was not paid correctly per TX work comp guidelines. According to TX Workers Compensation guidelines, billed charges should be reimbursed at 200% GARR. Previous payment received totaled $1,143.63. Please reprocess and remit payment for remaining balance due."

Amount in Dispute: $178.83

Respondent's Position

"This hospital outpatient allowance was calculated according the APC rate plus a markup. In conclusion, Requestor is not owed any additional reimbursement for the outpatient procedure performed on 2/21/2025."

Response submitted by: Downs Stanford, P.C.

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 the disputed service(s) with the following claim adjustment codes.

- 97 - PAYMENT ADJUSTED BECAUSE THE BENEFIT FOR THIS SERVICE IS INCLUDED IN THE PAYMENT/ALLOWANCE FOR ANOTHER SERVICE/PROCEDURE THAT HAS ALREADY BEEN ADJUDICATED.
- P12 - WORKERS' COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT.
- P5 - Based on payer reasonable and customary fees. No maximum allowable defined by legislated fee arrangement.
- 360 & 975 – Allowance for this procedure was made at the usual and customary amount for this geographical area.
- 616 – THIS CODE HAS A STATUS Q APC INDICATOR AND IS PACKAGED INTO OTHER APC CODES THAT HAVE BEEN IDENTIFIED BY CMS.
- J49 – THE ALLOWANCE FOR THIS LINE HAS BEEN SUMMED WITH OTHER ALLOWANCES ON THE BILL AND DISTRIBUTED EVENLY.

Issues

1. What rules apply to the reimbursement of the services in dispute?
2. Is the requester entitled to additional reimbursement?

Findings

1. This dispute involves reduced payment for emergency room services rendered on February 21, 2025. The insurance carrier issued a payment in the total amount of $1,143.63 and the requester seeks additional payment in the amount of $178.83. The insurance carrier reduced the disputed services based on packaging and workers' compensation fee schedule. The disputed services will be reviewed per applicable fee guidelines.

DWC finds that Rule 28 TAC §134.403 applies to the services in dispute. 28 TAC §134.403(d) requires Texas workers' compensation system participants to apply Medicare payment policies in effect on the date of service for the coding, billing, reporting and reimbursement of professional health care services.

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 (e)(2) states in pertinent part, regardless of the billed amount, if no contracted fee schedule exists that complies with Labor Code §413.011, reimbursement shall be 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*.

2. The requester is seeking additional reimbursement of emergency room services rendered on February 21, 2025.

   In accordance with 28 TAC §134.403, 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. The submitted medical bill did not contain implant charges.

   The Medicare facility specific amount is calculated when the APC payment rate is multiplied by 60% to determine the labor portion. This amount is multiplied by the facility wage index for the date of service to yield the adjusted labor amount. The non-labor amount is determined when the APC payment rate is multiplied by 40%. The sum of the adjusted labor amount and the non-labor amount determines the Medicare specific amount. Review of the submitted medical bill and the applicable fee guidelines referenced above is shown below.

   On the disputed date of service, in addition to the procedure codes in dispute, the requester charged for procedure code 99284 which is described as Level 4 Type A Emergency Department (ED) Visit and has an APC of 5024, with a status indicator J2. Procedure code 99284 does not meet the criteria for J2 composite observation on the disputed date of service as the submitted medical bill did not indicate more than eight hours of observation. Per OPPS Addendum A, APC 5024 is a primary "V" code and has a payment rate of $425.82 for the disputed date of service. Procedure code 99254, the primary "V" code in this claim, has received reimbursement and is not in dispute.

- Procedure code 96372 has a status indicator of Q1 which indicates that this service is packaged into the primary "V" procedure code described above.
- Procedure code 73590 has a status indicator of Q1 which indicates that this service is packaged into the primary "V" procedure code described above.
- Procedure code 73562 has a status indicator of Q1 which indicates that this service is packaged into the primary "V" procedure code described above.
- Procedure code J1885 is described as Ketorolac tromethamine (Toradol) injection and has a status indicator of K1, representing nonpass-through drugs and non-implantable biologicals. Procedure codes having status indicator of K1 are paid under OPPS, receiving a separate APC payment. This code is assigned APC 0764 and has a payment rate of $0.751 per unit (15mg).

Per a review of the submitted medical bill and the applicable fee guidelines referenced above, reimbursement calculations are outlined below:

Package APC 5024 (primary V code 99254):

- The OPPS Addendum A, APC rate for the disputed date of service is $425.82.
- The unadjusted labor amount is 60% of the APC rate = $255.492.
- The unadjusted labor amount of $255.492 x the facility wage index 0.9362 = $239.192 adjusted labor amount.
- The non-labor portion is 40% of the APC rate = $170.328.
- The sum of the adjusted labor amount + the non-labor amount = $409.52.
- Therefore, the Medicare facility specific amount = $409.52. This amount is multiplied by 200 percent for a MAR of $819.04.

APC 0764 (J1885):

- Per the submitted medical record and itemized statement, one unit of Ketorolac tromethamine was provided on the disputed date of service.
- The OPPS Addendum A, APC rate for the disputed date of service is $0.751 per unit.
- The unadjusted labor amount is 60% of the APC rate = $0.451
- The unadjusted labor amount of $0.451 x the facility wage index 0.9362 = $0.422 adjusted labor amount.
- The non-labor portion is 40% of the APC rate = $0.300
- The sum of the adjusted labor amount + the non-labor amount = $0.722
- Therefore, the Medicare facility specific amount = $0.722. This amount is multiplied by 200 percent for a MAR of $1.44.

Total MAR:

- DWC finds that the total MAR amount for the services rendered on the disputed date February 21, 2025, is $820.48.

- The insurance carrier paid $1,143.63. Additional reimbursement is not recommended.

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 additional reimbursement in the amount of $0.00 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. 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, 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.