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

General Information

Requestor Name
Peak Integrated Healthcare

Respondent Name
Zurich American Insurance Co

MFDR Tracking Number
M4-25-2454-01

Carrier's Austin Representative
Box Number 19

DWC Date Received
June 4, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 19, 2025	97110-GP	$377.64	$286.39
February 19, 2025	97112-GP	$16.96	$0.00
February 3, 2025	97110-GP	$377.64	$286.39
February 3, 2025	97112-GP	$16.96	$0.00
	Total	$789.20	$572.78

Requestor's Position

The requester did not submit a position statement with this request for MFDR. They did submit a document titled "Reconsideration" dated June 3, 2025 that states, "These bills were denied in full payment again after reconsideration for reason 'Benefit Maximum for this time period or occurrence has been reached' we disagree, and these bills should be paid in full. I am including a copy of the same service for date of service 02/13/2025 that was paid and all documentation we submitted to the insurance carrier for your review."

Amount in Dispute: $789.20

Respondent's Position

The Austin carrier representative for Zurich American Insurance Co is Flahive, Ogden & Latson. The representative was notified of this medical fee dispute on June 6, 2025.

Per 28 Texas Administrative Code §133.307(d)(1), if the DWC does not receive the response within 14 calendar days of the dispute notification, then the 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 §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) §134.203 sets out the fee guideline for physical therapy services.

2. 28 TAC §133.307 sets out the procedures for resolving medical fee disputes.

Denial Reasons

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

- 119 – Benefit maximum for this time period or occurrence has been reached.
- 163 -1 – Claim/service adjusted because the attachment referenced on the claim was not received.
- 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- B12-3 – Services not documented in patient's medical records.
- 163 – The charge for this procedure exceeds the unit value and/or the multiple procedure rules.

Issues

1. Is Gallagher Bassets' denial based on benefit maximum supported?

2. Is Gallagher Bassets' denial based on services not documented supported?

3. Is Gallagher Bassets' reduction of payment based on multiple procedure discounting supported?

4. What rule is applicable to reimbursement?

5. Is Peak Integrated Healthcare entitled to additional reimbursement?

Findings

1. The requester is seeking reimbursement for physical therapy services billed under CPT codes 97110-GP and 97112-GP for dates of service February 3, 2025 and February 19, 2025. The insurance carrier denied code 97110 stating benefit maximum reached and services not documented in the medical records.

   Centers for Medicare & Medicaid Services (CMS). National Correct Coding Initiative Policy Manual indicates that Medically Unlikely Edits (MUEs) are part of the Centers for Medicare & Medicaid Services (CMS) National Correct Coding Initiative (NCCI). They are designed to reduce improper payments by identifying and rejecting claims for services that exceed reasonable maximum units of service for a single beneficiary on a single date of service. Providers are required to ensure that units billed do not exceed established MUE limits unless there is clear medical necessity and appropriate documentation to support the exception. Billing practices must comply with CMS guidelines to avoid claim denials or overpayment recoveries.

   DWC Rule 28 Texas Administrative Code §134.203 (a) (7) states in pertinent part, Specific provisions contained in the Texas Labor Code or the Texas Department of Insurance, Division of Workers' Compensation (Division) rules, including this chapter, shall take precedence over any conflicting provision adopted or utilized by CMS in administering the Medicare program.

   DWC Rule 28 Texas Administrative Code §134.600 (c) (1) (B) and (p) (5) (A) states in pertinent parts, The insurance carrier is liable for all reasonable and necessary medical costs relating to the health care: (1) listed in subsection (p) or (q) of this section only when the following situations occur: (B) preauthorization of any health care listed in subsection (p) of this section that was approved prior to providing the health care; (5) physical and occupational therapy services, which includes those services listed in the Healthcare Common Procedure Coding System (HCPCS) at the following levels: (A) Level I code range for Physical Medicine and Rehabilitation, but limited to: (i) Modalities, both supervised and constant attendance;

   Review of the submitted documentation found a MEDINSIGHTS Utilization Review dated January 27, 2025 authorized 6 sessions (97110 x6, 97112 x2) for the time period of January 27, 2027 through April 27, 2025.

   Based on the evidence submitted with this dispute, the Division finds no limits were placed on the number of units associated with the authorized services. Therefore, the Division rules take precedence over the conflicting Medicare program provision.

   The carrier's reduction based on benefit maximum is not supported for these dates of service.

2. The insurance carrier's explanation of benefits indicates services not documented in the patient's medical records. Review of the submitted documentation found for the disputed dates of service the following was indicated.

    - Air-Dyne / R-bike – 20 minutes
    - Lumbar Stretching/ROM – 25 minutes
    - Exercise using chair – 25 minutes
    - Band exercises – 10 minutes
    - Stairs – 5 minutes
    - Total time 85 minutes / 6 units.

   The insurance carrier's denial for no documentation in the medical record is not supported.

3. The applicable DWC fee guideline for physical therapy is 28 TAC §134.203 (b) (1) which requires the application of Medicare payment policies applicable to professional services. Medicare Claims Processing Manual Chapter 5, 10.3.7-effective June 6, 2016, titled Multiple Procedure Payment Reductions for Outpatient Rehabilitation Services, states:

   Full payment is made for the unit or procedure with the highest PE payment. For subsequent units and procedures with dates of service prior to April 1, 2013, furnished to the same patient on the same day, full payment is made for work and malpractice and 80 percent payment is made for the PE for services submitted on professional claims (any claim submitted using the ASC X12 837 professional claim format or the CMS-1500 paper claim form) and 75 percent payment is made for the PE for services submitted on institutional claims (ASC X12 837 institutional claim format or Form CMS-1450).

   For subsequent units and procedures with dates of service on or after April 1, 2013, furnished to the same patient on the same day, full payment is made for work and malpractice and 50 percent payment is made for the PE for services submitted on either professional or institutional claims.

   To determine which services will receive the MPPR, contractors shall rank services according to the applicable PE relative value units (RVU) and price the service with the highest PE RVU at 100% and apply the appropriate MPPR to the remaining services. When the highest PE RVU applies to more than one of the identified services, contractors shall additionally sort and rank these services according to highest total fee schedule amount, and price the service with the highest total fee schedule amount at 100% and apply the appropriate MPPR to the remaining services. The insurance carrier's reduction of payment based on MPPR is supported.

4. As seen above, the multiple procedure rule discounting applies to the disputed service. On the disputed dates of service, the requester billed two CPT codes 97110-GP (x6) (not in dispute) and 97112 (x2). The first unit of CPT code 97112 has the highest PE RVU and is therefore reimbursed at 100% and at 50% for each subsequent unit billed on each disputed date of service.

The MPPR Rate File that contains the payments for 2025 services is found at https://www.cms.gov/Medicare/Billing/TherapyServices/index.html.

- The dates of service are February 3, 2025 and February 19, 2025.
- The DWC conversion factor for 2025 is 70.18
- The Medicare conversion factor for 2025 32.3465.
- MPPR rates are published by carrier and locality.
- Review of Box 32 on the CMS-1500 finds that the services were rendered in zip code 75211; therefore, the Medicare locality is "Dallas, Texas."
- The Medicare physician fee schedule amount for CPT Code 97112 is $32.27 for the first unit and $24.45 for the second. The physician fee schedule amount for CPT code 97110 at this locality is $22.00 for each of the 6 units.

DWC Rule 28 TAC §134.203 (c)(1) states, "To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications. (1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is $52.83…"

The following formula represents the calculation of the DWC MAR at §134.203 (c)(1) & (2).
(DWC Conversion Factor ÷ Medicare Conversion Factor) x Medicare Payment = MAR

Date of Service	CPT Code	No. Units	Medicare Payment	DWC Conversion Factor divided by Medicare Conversion Factor or 70.18/32.3465 x PFS for location	Lesser of MAR and billed amount
2/3/2025	97112	2	$32.27 $24.45	$70.01 $53.05	$123.06
2/3/2025	97110	6	$22.00	$286.39	$286.39
2/19/2025	97112	2	$32.27 $24.45	$70.01 $53.05	$123.06
2/19/2025	97110	6	$22.00	$286.39	$286.39
					$818.90

5. The total allowable DWC fee guideline reimbursement is $818.90. The insurance carrier paid $246.12. Additional payment is recommended in the amount of $572.78.

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 the Peak Integrated Healthcare has established that additional reimbursement of $572.78 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 Zurich American Insurance Co must remit to Peak Integrated Healthcare $572.78 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 25, 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.