



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

Marcus Paul Hayes

Respondent Name

Hanover American Insurance Co

MFDR Tracking Number

M4-25-2480-01

Carrier's Austin Representative

Box Number 47

DWC Date Received

June 6, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
February 26, 2025	97110 x 5	\$178.74	\$109.46
February 26, 2025	97124 x 1	\$27.90	\$18.51
February 26, 2025	97530 x 2	\$49.00	\$67.05
February 27, 2025	97110 x 5	\$178.74	\$109.46
February 27, 2025	97124 x 1	\$27.90	\$18.51
February 27, 2025	97530 x 2	\$49.00	\$67.05
March 3, 2025	97110 x 5	\$178.74	\$109.46
March 3, 2025	97124 x 1	\$27.90	\$18.51
March 3, 2025	97530 x 2	\$49.00	\$67.05
March 5, 2025	97110 x 5	\$178.74	\$109.46
March 5, 2025	97124 x 1	\$27.90	\$18.51
March 5, 2025	97530 x 2	\$49.00	\$67.05
March 6, 2025	97110 x 5	\$178.74	\$109.46
March 6, 2025	97124 x 1	\$27.90	\$18.51
March 6, 2025	97530 x 2	\$49.00	\$67.05
March 11, 2025	97110 x 5	\$178.74	\$109.46
March 11, 2025	97124 x 1	\$27.90	\$18.51
March 11, 2025	97530 x 2	\$49.00	\$67.05
March 13, 2025	97110 x 5	\$178.74	\$109.46
March 13, 2025	97124 x 1	\$27.90	\$18.51
March 13, 2025	97530 x 2	\$49.00	\$67.05
March 14, 2025	97110 x 5	\$178.74	\$109.46
March 14, 2025	97124 x 1	\$27.90	\$18.51
March 14, 2025	97530 x 2	\$49.00	\$67.05

March 18, 2025	97110 x 5	\$178.74	\$109.46
March 18, 2025	97124 x 1	\$27.90	\$18.51
March 18, 2025	97530 x 2	\$49.00	\$67.05
March 19, 2025	97110 x 5	\$178.74	\$109.46
March 19, 2025	97124 x 1	\$27.90	\$18.51
March 19, 2025	97530 x 2	\$49.00	\$67.05
March 24, 2025	97110 x 5	\$178.74	\$109.46
March 24, 2025	97124 x 1	\$27.90	\$18.51
March 24, 2025	97530 x 2	\$49.00	\$67.05
Total		\$1,866.38 (\$2,812.04)	\$2,145.22

Requester's Position

"I am writing to request a MFDR per a recent reconsideration submitted with supportive documentation to The Hanover on 04/14/2025 which was partially paid per reason "The charge for the procedure exceeds the amount indicated in the fee schedule" which is incorrect as this is a NON-NETWORK claim and no HCN reduction should have been applied."

Amount in Dispute: \$1,866.38 (\$2,812.04)

Respondent's Position

"A careful review of the submitted documentation was completed and the following determination was made: The lines reimbursed at less than billed charges are correctly applying a 50% reduction to the practice expense component in accordance with the Multiple Procedure Payment Reduction (MPPR) guidelines for physical therapy services. Based on the above findings there is no further action needed at this time as the bill was paid appropriately."

Response Submitted by: Medata Service Operations on behalf of Hanover Insurance

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 \(TAC\) §133.305](#) sets out the procedures for resolving medical disputes.
2. [28 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
3. [28 TAC §134.203](#) sets out the fee guideline for professional medical services.
4. [28 TAC §134.600](#) sets out the preauthorization guidelines for specific treatments and services.

Denial Reasons

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

- 01(P12) – The charge for the procedure exceeds the amount indicated in the fee schedule.
- @F (W3) – Additional payment made on appeal/reconsideration.
- PPO Network Name – Coventry Health Care (Texas) The payment was further reduced due to an existing PPO contracted arrangement priced using a Coventry Contract. Subject to Coventry workers comp network, a certified TX HCN revised data.
- NR (45) – A PPO reduction was made for the bill and/or the bill was repriced according to a negotiated rate.
- APRV – The Provider’s charges were reviewed with consideration of the Payer’s UR/PreAuthorization Decision(s) governing this Claimant. The listed Allowance reflects the result(s) of their Decision(s) and all applicable Bill Review Decision(s).
- MZ (P12) – The usual treatment session provided in the home or office setting is 30 to 45 minutes. The medical necessity of services for an unusual length of time must be documented.

Issues

1. Is the insurance carrier’s denial based on TX HCN PPO reduction supported?
2. Is the insurance carrier’s denial based on medical necessity of unusual length of session time supported?
3. Does Medicare’s multiple procedure payment reduction (MPPR) apply to the disputed services?
4. Is the Requester entitled to reimbursement?

Findings

1. The requester seeks additional reimbursement for CPT Codes 97110-GP, 97530-GP and 97124-GP rendered on multiple dates from February 26, 2025, through March 24, 2025. The insurance carrier reduced the disputed services with reduction codes “NR (45) – A PPO reduction was made for the bill and/or the bill was repriced according to a negotiated rate.”
A review of the submitted documentation and information known to the division did not find information to support the injured worker who is enrolled in a certified health network. The insurance carrier’s reduction is not supported. The disputed services will be reviewed per applicable fee guidelines.
2. The requester seeks additional reimbursement for CPT Codes 97110-GP, 97530-GP and 97124-GP rendered on multiple dates from February 26, 2025, through March 24, 2025. The insurance carrier reduced the disputed services with reduction code “MZ (P12) – The usual treatment session provided in the home or office setting is 30 to 45 minutes. The medical necessity of services for an unusual length of time must be documented”.

Review of the submitted utilization review from Medata dated February 25, 2025, recommends certification of physical therapy, however this certification did not limit the time of the session. The insurance carrier's denial is not supported. The disputed service will be reviewed per applicable fee guideline.

3. This dispute involves the reduction of payment of physical therapy services provided on multiple dates from February 26, 2025, through March 24, 2025, billed under CPT Codes 97110-GP, 97530-GP and 97124-GP. The requester seeks additional reimbursement in the amount of \$1,866.38 (\$2,812.04). The insurance carrier audited and subsequently reduced the service using the referenced codes.

28 TAC §134.203(a)(5) states, "'Medicare payment policies' when used in this section, shall mean reimbursement methodologies, models, and values or weights including its coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare."

The requester billed the following CPT Codes 97110-GP, 97530-GP and 97124-GP. The definition of each code is indicated below:

CPT code 97110 - "Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility."

CPT Code 97530 – "Therapeutic activities, direct (one-on-one) patient contact (use of dynamic activities to improve functional performance), each 15 minutes."

CPT Code 97124 – "Therapeutic procedure, 1 or more areas, each 15 minutes; massage, including effleurage, petrissage and/or tapotement (stroking, compression, percussion)."

The requester appended the "GP" modifier to both codes. The "GP" modifier is described as "Services delivered under an outpatient physical therapy plan of care."

28 TAC §134.203(b)(1) which sets out fee guidelines for professional medical services, states, "For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules."

Medicare Claims Processing Manual Chapter 5, 10.7-effective June 6, 2016, titled Multiple Procedure Payment Reductions (MPPR) for Outpatient Rehabilitation Services, states in pertinent part:

Full payment is made for the unit or procedure with the highest PE payment.... 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 multiple procedure payment reduction (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.”

For 2025 the codes subject to MPPR are found in CMS-1784-F the CY 2025 PFS Final Rule Multiple Procedure Payment Reduction Files. Review of that list finds that CPT Codes 97110, 97530 and 97124 are subject to the MPPR policy.

The chart below outlines the ranking for PE payment for each of the codes billed by the health care provider.

CPT Code	Practice Expense
97110	0.43
97124	0.56
97530	0.62

As shown above, CPT Code 97530 has the highest PE payment amount for the services billed by the provider on each service date, therefore, the reduced PE payment applies to all other services.

- 4. The division finds that the requester is entitled to additional reimbursement for the following:
 - Physical therapy services, billed under CPT Codes 97110-GP, 97530-GP and 97124-GP.

28 TAC §134.203 states in pertinent part, “(c) 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. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32. (2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar year...”

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

- MPPR rates are published by carrier and locality.
- The services were provided in Houston, TX.
- The carrier code for Texas is 4412 and the locality code for Houston is 18.

CPT Code	Medicare Fee Schedule (1 st unit)	MPPR for subsequent units
97110 x 5		\$22.19
97124 x 1		\$21.02
97530 x 2	\$35.00	\$24.94

To determine the MAR the following formula is used: (DWC Conversion Factor/Medicare Conversion Factor) X Medicare Payment = Maximum Allowable Reimbursement (MAR).

- The 2025 DWC Conversion Factor is 70.18
- The 2025 Medicare Conversion Factor is 32.3465
- Per the medical bills, the services were rendered in zip code 77034, Houston TX; therefore, the Medicare locality is "Houston."

Date of Service	CPT Code	# Units	CMS Payment	MAR	Insurance Carrier Paid	Amount Sought	Recommended Amount
2/26/25	97110	5	\$22.19	$\$48.15 \times 5 = \240.72	\$131.26	\$178.74	\$109.46
2/26/25	97124	1	\$21.02	\$45.61	\$27.10	\$27.90	\$18.51
2/26/25	97530	2	1st Unit \$35.00 2nd Unit \$24.94	1st Unit \$75.94 2nd Unit \$54.11	\$63.00	\$49.00	\$67.05
2/27/25	97110	5	\$22.19	$\$48.15 \times 5 = \240.72	\$131.26	\$178.74	\$109.46
2/27/25	97124	1	\$21.02	\$45.61	\$27.10	\$27.90	\$18.51
2/27/25	97530	2	1st Unit \$35.00 2nd Unit \$24.94	1st Unit \$75.94 2nd Unit \$54.11	\$63.00	\$49.00	\$67.05
3/3/25	97110	5	\$22.19	$\$48.15 \times 5 = \240.72	\$131.26	\$178.74	\$109.46
3/3/25	97124	1	\$21.02	\$45.61	\$27.10	\$27.90	\$18.51
3/3/25	97530	2	1st Unit \$35.00 2nd Unit \$24.94	1st Unit \$75.94 2nd Unit \$54.11	\$63.00	\$49.00	\$67.05
3/5/25	97110	5	\$22.19	$\$48.15 \times 5 = \240.72	\$131.26	\$178.74	\$109.46
3/5/25	97124	1	\$21.02	\$45.61	\$27.10	\$27.90	\$18.51
3/5/25	97530	2	1st Unit \$35.00 2nd Unit	1st Unit \$75.94 2nd Unit	\$63.00	\$49.00	\$67.05

			\$24.94	\$54.11			
3/6/25	97110	5	\$22.19	\$48.15 x 5 = \$240.72	\$131.26	\$178.74	\$109.46
3/6/25	97124	1	\$21.02	\$45.61	\$27.10	\$27.90	\$18.51
3/6/25	97530	2	1st Unit \$35.00 2nd Unit \$24.94	1st Unit \$75.94 2nd Unit \$54.11	\$63.00	\$49.00	\$67.05
3/11/25	97110	5	\$22.19	\$48.15 x 5 = \$240.72	\$131.26	\$178.74	\$109.46
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3/14/25	97124	1	\$21.02	\$45.61	\$27.10	\$27.90	\$18.51
3/14/25	97530	2	1st Unit \$35.00 2nd Unit \$24.94	1st Unit \$75.94 2nd Unit \$54.11	\$63.00	\$49.00	\$67.05
3/18/25	97110	5	\$22.19	\$48.15 x 5 = \$240.72	\$131.26	\$178.74	\$109.46
3/18/25	97124	1	\$21.02	\$45.61	\$27.10	\$27.90	\$18.51
3/18/25	97530	2	1st Unit \$35.00 2nd Unit \$24.94	1st Unit \$75.94 2nd Unit \$54.11	\$63.00	\$49.00	\$67.05
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3/19/25	97124	1	\$21.02	\$45.61	\$27.10	\$27.90	\$18.51
3/19/25	97530	2	1st Unit \$35.00 2nd Unit \$24.94	1st Unit \$75.94 2nd Unit \$54.11	\$63.00	\$49.00	\$67.05
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3/24/25	97124	1	\$21.02	\$45.61	\$27.10	\$27.90	\$18.51
3/24/25	97530	2	1st Unit \$35.00 2nd Unit \$24.94	1st Unit \$75.94 2nd Unit \$54.11	\$63.00	\$49.00	\$67.05
Total					\$2,434.96	\$2,812.04	\$2,145.22

The total additional reimbursement of \$2,145.22 is recommended for dates of service February 26, 2025, through March 24, 2025.

Conclusion

Based on the evidence presented by both the requester and respondent at the time of adjudication, and upon review of applicable Texas Workers' Compensation rules and Medicare policies, the Division of Workers' Compensation finds:

DWC finds the requester has established that reimbursement of \$2,145.22 is due.

Although not all submitted evidence is discussed in detail, it was fully considered in reaching this determination.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requester is entitled to reimbursement for the disputed services. It is ordered that the Respondent must remit to the Requester \$2,145.22 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

July 16, 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.