



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

Methodist Health Systems

Respondent Name

Praetorian Insurance Co

MFDR Tracking Number

M4-25-2523-01

Carrier's Austin Representative

Box Number 19

DWC Date Received

June 10, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
September 25 – 27, 2024	Inpatient Stay	\$20,691.30	\$20,691.30
Total		\$20,691.30	\$20,691.30

Requester's Position

"Requesting review of unpaid date of service."

Amount in Dispute: \$20,691.30

Respondent's Position

"The Provider did not submit the required documentation at the time of the submission of the initial medical bill nor at the time of the request for reconsideration. The provider is not entitled to any reimbursement until the provider has submitted the medical documentation to the carrier and allows the carrier an opportunity to respond to the request."

Response Submitted by: Flahive, Ogden & Latson

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 §134.404](#) sets out the acute care hospital fee guideline for inpatient services.

Denial Reasons

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

Midwestern Insurance Alliance. EOB dated April 2, 2025

- 45 – Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.

Accuro Solutions. EOB dated December 17, 2024.

- P13 – Payment reduced or denied based on workers' compensation jurisdictional regulations or payment policies.
- M127: Missing patient medical record for this service.

Accuro Solutions. EOB dated March 12, 2025.

- 18 – Exact duplicate claim/service.

Issues

1. Is the respondent's denial supported?
2. What is the applicable rule for determining reimbursement for the disputed services?
3. Is the requester entitled to additional payment?

Findings

1. This dispute regards inpatient hospital facility services rendered in September of 2024. The insurance carrier denied the payment based on lack of medical records, charges exceeding fee guidelines and duplicate. Review of the submitted documentation indicates the first adjudication (December 17, 2024) was denied for missing information. The health care provider submitted evidence of a request for reconsideration submitted in March of 2025. The second adjudication (March 12, 2025) denied as a duplicate. The greater weight of evidence would support a timely submission of the medical bill and a request for reconsideration was also submitted but denied as a duplicate. The disputed service will be reviewed per applicable fee guideline.

2. The payment of inpatient hospital services is subject to DWC Rule 28 TAC §134.404(f), that requires the maximum allowable reimbursement (MAR) to be the Medicare facility specific amount (including outlier payments) applying Medicare Inpatient Prospective Payment System (IPPS) formulas and factors, as published annually in the Federal Register, with modifications set forth in the rules. Medicare IPPS formulas and factors are available from the Centers for Medicare and Medicaid Services at <http://www.cms.gov>.

The division calculates the Medicare facility specific amount using Medicare's *Inpatient PPS PC Pricer* as a tool to efficiently identify and apply IPPS formulas and factors. This software is freely available from www.cms.gov.

Note: the "VBP adjustment" listed in the *PC Pricer* was removed in calculating the facility amount for this admission. Medicare's Value-Based Purchasing (VBP) program is an initiative to improve quality of care in the Medicare system. However, such programs conflict with Texas Labor Code sections 413.0511 and 413.0512 regarding review and monitoring of health care quality in the Texas workers' compensation system. Rule §134.404(d)(1) requires that specific Labor Code provisions and division rules take precedence over conflicting CMS provisions for administering Medicare. Consequently, VBP adjustments are not considered in determining the facility reimbursement.

Separate reimbursement for implants was not requested. DWC Rule 28 TAC §134.404(f)(1)(A) requires that the Medicare facility specific amount be multiplied by 143%.

Review of the submitted medical bill and supporting documentation finds the assigned DRG code to be 502 The service location is Dallas, Texas. Based on DRG code, service location, and bill-specific information, the Medicare facility specific amount is \$15,338.02 (Medicare payment of \$15,351.72 less VBP adjustment of \$13.70). This amount multiplied by 143% results in a MAR of \$21,933.37.

2. The total recommended payment for the services in dispute is \$21,933.37. The requester seeks payment in the amount of \$20,691.30. This amount is 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 established that additional reimbursement of \$20,691.30 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 Praetorian Insurance Co must remit to Methodist Health Systems \$20,691.30 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	July 3, 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. 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 electrónico CompConnection@tdi.texas.gov.