



Medical Fee Dispute Resolution Findings and Decision General Information

Requester Name

Occu-Health Surgery Center

Respondent Name

LM Insurance Corp.

MFDR Tracking Number

M4-25-2585-01

Carrier's Austin Representative

Box Number 60

DWC Date Received

June 18, 2025

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
November 11, 2024	11012-F8	\$7,187.00	\$0.00
November 11, 2024	11012-F7	\$7,187.00	\$0.00
November 11, 2024	13132-F6	\$2,187.00	\$383.27
Total		\$16,561.00	\$383.27

Requester's Position

"REASON 243 ON THE EOB TO DENY THE ABOVE CODES IS INACCURATELY APPLIED... Per the AMA CPT 2024 publication, complex closure is not inclusive to the other codes."

Requester's Supplemental Position per correspondence with DWC dated July 30, 2025:

"We are still disputing 13132 nonpayment ... the carrier paid 11012 but denies 13132."

Amount in Dispute: \$16,561.00

Respondent's Supplemental Position

"The bill has been reviewed and adjusted for payment - copies of EOBs are submitted for your review."

Response submitted by: Liberty Mutual 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 \(TAC\) §133.307](#) sets out the procedures for resolving medical fee disputes.
2. [28 TAC §133.305](#) sets out general Medical Dispute Resolution guidelines.
3. [28 TAC §134.402](#) sets out the fee guidelines for ambulatory surgical centers.

Adjustment Reasons

- 243 - THE CHARGE FOR THIS PROCEDURE WAS NOT PAID SINCE THE VALUE OF THIS PROCEDURE IS INCLUDED/BUNDLED WITHIN THE VALUE OF ANOTHER PROCEDURE PERFORMED.
- 193 - ORIGINAL PAYMENT DECISION IS BEING MAINTAINED. UPON REVIEW, IT WAS DETERMINED THAT THIS CLAIM WAS PROCESSED PROPERLY.ORIGINAL PAYMENT DECISION IS BEING MAINTAINED. UPON REVIEW, IT WAS DETERMINED THAT THIS CLAIM WAS PROCESSED PROPERLY.

Issues

1. Did the insurance carrier allow payment for the services in dispute after the request for a medical fee dispute resolution (MFDR) was submitted?
2. As of the date of this review, what procedure codes are still in dispute?
3. What rule applies for determining the reimbursement for the disputed services?
4. Do the disputed services contain National Correct Coding Initiative (NCCI) edit conflicts that could have an impact on reimbursement?
5. Is the requester entitled to reimbursement for the disputed service billed under CPT code 13132-59-ET?

Findings

1. This medical fee dispute involves the reduced or non-payment for surgical services rendered to an injured employee in a licensed ambulatory surgical center on November 11, 2024.

A review of the submitted explanation of benefits (EOB), finds that the insurance carrier initially and upon reconsideration, allowed reimbursement in the total amount of \$0.00, for the disputed procedure codes 11012-F8-ET, 11012-F7-ET and 13132-59-ET.

On June 18, 2025, DWC received a request for medical fee dispute resolution due to non-payment of the disputed procedure codes mentioned above. A review of the submitted documentation finds an EOB dated June 26, 2025, allowing reimbursement of the disputed

procedure codes in the following amounts:

- CPT code 11012-F8-ET was allowed reimbursement in the amount of \$1,361.25.
- CPT code 11012-F7-ET was allowed reimbursement in the amount of \$1,361.25.
- CPT code 13132-59-ET was allowed reimbursement in the amount of \$0.00.

DWC finds that as of the date of this review, the requester has been reimbursed in the total amount of \$2,722.50 plus interest for the disputed CPT codes 11012-F8-ET and 11012-F7-ET rendered on November 11, 2024, while the insurance carrier maintained its denial of payment for disputed procedure code 13132-59-ET.

2. According to correspondence from the requester dated July 30, 2025, payment for procedure codes 11012-F8-ET and 11012-F7-ET has been confirmed, and the requester indicates that the only procedure code remaining in dispute is CPT code 13132-59-ET. Therefore, only procedure code 13132-59-ET will be reviewed in this MFDR.
3. A review of the submitted documentation finds that this medical fee dispute involves surgical services rendered in a licensed ambulatory surgical center on November 11, 2024.

DWC finds that Rule 28 TAC §134.402 applies to the reimbursement of the services in dispute.

DWC Rule 28 TAC §134.402 (d) requires Texas workers' compensation system participants when coding, billing, reporting and reimbursement to apply Medicare payment policies in effect on the date of service.

The Medicare payment policy applicable to the services in dispute is found at www.cms.gov, Claims processing Manual, Chapter 4, Section 10.1.2 specifically Ambulatory Surgical Center Services on ASC list. Beginning with the implementation of the 2008 revised payment system, the labor related adjustments to the ASC payment rates are based on the Core-Based Statistical Area (CBSA) methodology. Payment rates for most services are geographically adjusted using the pre-reclassification wage index values that CMS uses to pay non-acute providers. The adjustment for geographic wage variation will be made based on a 50 percent labor-related share.

DWC Rule 28 TAC §134.402 (f) states in pertinent part "the reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the Federal Register...

(1) Reimbursement for non-device intensive procedures shall be:

- (A) The Medicare ASC facility reimbursement amount multiplied by 235 percent; or
- (B) if an ASC facility or surgical implant provider requests separate reimbursement for an implantable, reimbursement for the non-device intensive procedure shall be the sum of:

- (i) 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; and
- (ii) the Medicare ASC facility reimbursement amount multiplied by 153 percent."

A review of the submitted medical bills finds that the facility did not request separate reimbursement for surgical implants in this case.

4. A review of the submitted medical bill finds that on the disputed date of service the requester billed for the following procedure codes: 11012-F8-ET, 11012-F7-ET, 26765-F8-ET, 26765-F7-ET, **13132-59-ET**, 11760-F6, 11760-F7, 11760-F8, C9290. (disputed code in bold font)

DWC completed NCCI edits and found the following edit conflicts:

- Procedure code 11012 has an unbundle relationship with history procedure code 13132; review documentation to determine if a modifier is appropriate.
- Procedure code 13132 has an unbundle relationship with history procedure code 26765; review documentation to determine if a modifier is appropriate.
- Procedure code 13132 has an unbundle relationship with history procedure code 11760; review documentation to determine if a modifier is appropriate.
- No other procedure code combinations on the medical bill were found to have NCCI edit conflicts.

Procedure code 13132 is described as "Repair, complex, forehead, cheeks, chin, mouth, neck, axillae, genitalia, hands and/or feet; 2.6 cm to 7.5 cm." (*This procedure is necessary when the wound is deeper, jagged, or contains embedded debris, requiring a more intricate approach than a standard layered closure. The provider may need to perform additional tasks such as scar revision, extensive undermining of tissues, and the use of stents or retention sutures to ensure proper healing and anatomical alignment.*)

The requester appended disputed CPT code 13132 with modifier "59" to indicate that a procedure or service was distinct or independent from other non-evaluation and management (E/M) services performed on the same day. Modifier "ET" was also appended to CPT code 13132 to indicate an emergency procedure.

[Medicare Modifier 59 Fact Sheet](#) states in pertinent part "Under certain circumstances, it may be necessary to indicate that a procedure or service was distinct or independent from other non-evaluation and management (E/M) services performed on the same day. Modifier 59 is used to identify procedures/services, other than E/M services, that are not normally reported together but are appropriate under the circumstances... Appropriate Uses: ... Separate lesion, or separate injury (or area in injury in extensive injuries) not ordinarily encountered or performed on the same day by the same individual." Additional guidance regarding the proper use of modifier "59" can be found at [CMS article MLN1783722: Proper Use of Modifiers 59, XE, XP, XS & XU](#).

A review of the submitted operative report finds that the service billed under CPT code 13132 on November 11, 2024, was distinct from the performance of services billed under CPT codes 11012, 26765, and 11760 on the same date. DWC finds that the medical documentation submitted sufficiently supports the use of modifier "59" appended to CPT code 13132 to override the NCCI edit conflicts. Therefore, DWC finds that the disputed CPT code 13132-59-ET performed on November 11, 2024, is eligible for reimbursement.

5. The requester, a licensed ambulatory surgical center, is seeking reimbursement in the amount

of \$2,187.00 for a surgical service billed under CPT code 13132-59-ET rendered on November 11, 2024.

Procedure Code 13132 has a payment indicator of A2 indicating that payment is based on OPPS relative payment weight. Per the ACS addendum AA for the applicable date of service, DWC finds that CPT code 13132 is subject to the Medicare multiple procedure payment reduction (MPPR) rule. A review of the [Medicare Claims Processing Manual – Chapter 14, Section 40.5 – Payment for Multiple Procedures](#), finds that when more than one surgical procedure is performed in the same operative session, special payment rules apply. When the ASC performs multiple surgical procedures in the same operative session that are subject to the multiple procedure discount, contractors pay 100 percent of the highest paying surgical procedure on the claim, plus 50 percent of the applicable payment rate(s) for the other ASC covered surgical procedures subject to the multiple procedure discount that are furnished in the same session.

Per CMS, multiple surgeries are reimbursed as follows:

- 100 percent of the fee schedule amount for the highest valued procedure; and
- 50 percent of the fee schedule amount for the second through the fifth highest valued procedures.

DWC Rule 28 TAC 134.402 (f) (2) states in pertinent part “reimbursement for non-device intensive procedures shall be the Medicare ASC facility reimbursement amount multiplied by 235 percent.” The following formula is used to calculate the MAR:

- The Medicare ASC reimbursement for code 13132 on the applicable date of service is \$325.76.
- The Medicare ASC reimbursement is divided by 2 = \$162.88.
- This number multiplied by the CBSA index of 1.0026, for Houston-The Woodlands-Sugar Land, TX region = \$163.303.
- Add these two together = \$326.183, which is the geographically adjusted Medicare ASC rate.
- To determine the MAR for CPT 13132, multiply the geographically adjusted Medicare ASC rate of \$326.183 by the DWC payment adjustment factor of 235% = \$766.53.
- Because this procedure was furnished in the same session as another primary procedure, CPT code 13132 is subject to MPPR discounting; therefore, the MAR is fifty percent of \$766.53, or \$383.27.
- DWC finds that the MAR for CPT code 13132-59-ET rendered on November 11, 2024, is \$383.27.
- The insurance carrier allowed \$0.00.
- Reimbursement in the amount of \$383.27 is recommended for CPT code 13132-59-ET rendered on November 11, 2024.

DWC finds that the requester is entitled to reimbursement in the amount of \$383.27 for CPT

code 13132-59-ET rendered on November 11, 2024.

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 reimbursement is due in the amount of \$383.27.

ORDER

Under Texas Labor Code §§413.031, the DWC has determined the requester is entitled to reimbursement for the disputed service. It is ordered that LM Insurance Corp. must remit to Occu-Health Surgery Center, \$383.27 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

		September 24, 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 electronico CompConnection@tdi.texas.gov.