TDI Division of Workers' Compensation
PO Box 12050 | Austin, TX 78711 | 800-252-7031 | tdi.texas.gov/wc

# Medical Fee Dispute Resolution Findings and Decision

## General Information

**Requester Name**
Baylor Surgical Hospital of Fort Worth

**Respondent Name**
Texas Mutual Insurance Co.

**MFDR Tracking Number**
M4-25-2628-01

**Carrier's Austin Representative**
Box Number 54

**DWC Date Received**
June 23, 2025

## Summary of Findings

| Date(s) of Service | Disputed Services | Amount in Dispute | Amount Due |
|---|---|---|---|
| January 3, 2025 | C1713 | $687.71 | $0.00 |
| January 3, 2025 | 28737 | $126.45 | $0.00 |
| | **Total** | $814.16 | $0.00 |

## Requester's Position

"Per EOB received CPT codes C1713 and 28737 were not paid correctly per TX work comp guidelines. According to TX Rule 134.402, implants should be reimbursed at manual cost plus 10%. Also, surgical code should be reimbursed at 130% GARR. Previous payment received totaled $29,086.68.

"C1713-UB TX O/P:lmplant@Manual Cost+10%=$11,772.96

28737-UB TX O/P:Surgical @130%GARR= $16,106.63"

**Amount in Dispute:** $814.16

## Respondent's Position

"Texas Mutual has reviewed the DWC-60 submitted by FORT WORTH SURGICARE PARTNERS LTD... Our position is that no additional payment is due."

**Response Submitted by:** Texas Mutual Insurance Company

# Findings and Decision

Authority

This medical fee dispute is decided according to Texas Labor Code §413.031and 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 payment for the disputed services with the following claim adjustment codes:

- 45 - Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.
- P12 – WORKERS COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT.
- 370 - THIS HOSPITAL OUTPATIENT ALLOWANCE WAS CALCULATED ACCORDING TO THE APC RATE, PLUS A MARKUP.
- 768 - REIMBURSED PER 0/P FG AT 130%. SEPARATE REIMBUSEMENT FOR IMPLANTABLE$ (INCLUDING CERTIFICATION) WAS REQUESTED PER RULE 134.403(G).
- 897 - SEPARATE REIMBURSEMENT FOR IMPLANTABLES MADE IN ACCORDANCE WITH DWC RULE CHAPTER 134; SUBCHAPTER (E) HEALTH FACILITY FEES.
- 193 - ORIGINAL PAYMENT DECISION IS BEING MAINTAINED. UPON REVIEW, IT WAS DETERMINED THAT THIS CLAIM WAS PROCESSED PROPERLY.
- DC4 - NO ADDITIONAL REIMBURSEMENT ALLOWED AFTER RECONSIDERATION.
- W3 & 350 – IN ACCORDANCE WITH TDI-OWC RULE 134.804, THIS BILL HAS BEEN IDENTIFIED AS A REQUEST FOR RECONSIDERATION OR APPEAL

Issues

1. What rules apply to reimbursement of the services in dispute?
2. Has the requester supported the cost of the implants in accordance with DWC Rules?
3. Is Baylor Surgical Hospital of Fort Worth entitled to additional reimbursement for the disputed implantable items billed under procedure code C1713?
4. Is Baylor Surgical Hospital of Fort Worth entitled to additional reimbursement for the disputed surgical procedure code 28737?

Findings

1. This dispute involves outpatient hospital facility services in which separate reimbursement for surgical implantable items was requested on the medical bill.

   DWC finds that 28 TAC §134.403 applies to the reimbursement of the services in dispute.

   28 TAC §134.403(e) states in pertinent part, regardless of billed amount, when no specific fee schedule or contract exists, 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*. The following minimal modifications shall be applied. (1) 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…

   DWC Rule 28 TAC §134.403 (g) states, "Implantables, when billed separately by the facility or a surgical implant provider in accordance with subsection (f)(1)(B) of this section, shall be reimbursed at 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-ons per admission."

2. The requester is seeking reimbursement for surgical implantable items billed under disputed procedure code C1713. Per the submitted itemized statement, the requester charged for implantable items billed under code C1713 in the total amount of $10,702.75.

   A review of the submitted documentation finds that the requester submitted a purchase order as evidence to support the cost of the implants billed. The submitted documentation includes no evidence of a certified invoice meeting the requirements of 28 TAC §134.403 (g).

   DWC finds that the requester has not supported the cost of the implants in accordance with DWC Rules.

3. The requester, Baylor Surgical Hospital of Fort Worth, is seeking additional reimbursement in the amount of $687.71 for the disputed procedure code C1713, representing surgical implantable items provided on January 3, 2025, for which separate reimbursement was requested on the medical bill.

As demonstrated in finding number two, the requester has not supported the cost of the implants in accordance with 28 TAC §134.403 (g). As a result, additional reimbursement for surgical implantable items billed under procedure code C1713, is not recommended.

DWC finds that the requester is not entitled to additional reimbursement for procedure code C1713 rendered on January 3, 2025.

4. The requester, Baylor Surgical Hospital of Fort Worth, is seeking additional reimbursement in the amount of $126.45 for procedure code 28737 rendered on January 3, 2025.

   A review of the submitted medical bill finds that on the disputed date of service the requester billed for surgical procedure code 28737-RT in the amount of $21,440.00. A review of the submitted explanation of benefits (EOB) submitted finds that the insurance carrier allowed reimbursement for this disputed procedure code in the amount of $15,980.18.

   DWC Rule 28 TAC §134.403 (d), which applies to the services in dispute, 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 10.1.1. Specifically, Payment Status Indicators and Ambulatory Payment Category (APC).

   DWC Rule 28 TAC §134.403 (e) states in pertinent part, regardless of billed amount, when no specific fee schedule or contract exists, 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. The following minimal modifications shall be applied. (1) 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 Medicare facility specific amount is calculated as follows:

   The APC payment rate is multiplied by 60% to determine the unadjusted labor amount. This amount is multiplied by the applicable facility wage index to find the adjusted labor portion. The non-labor portion is determined when the APC payment rate is multiplied by 40%. The sum of the adjusted labor portion and the non-labor portion determines the Medicare facility specific amount.

A review of the submitted medical bill in accordance with the applicable fee guidelines referenced above is shown below.

- Procedure code 28737 has status indicator J1, for outpatient comprehensive packaging.
- Procedure code 28737 is assigned APC 5115. The OPPS Addendum A payment rate for APC category 5115 is $12,866.82.
- The APC payment rate of $12,866.82 is multiplied by 60% for an unadjusted labor amount of $7,720.092. That amount is in turn multiplied by the facility wage index of 0.9256 for an adjusted labor amount of $7,145.717.
- The non-labor portion is 40% of the APC payment rate, or $5,146.728.
- The sum of the adjusted labor amount and the non-labor portion: $7,145.717 + $5,146.728 = $12,292.445.
- Therefore, the Medicare facility specific amount is $12,292.445.
- The facility provider requested separate reimbursement for implantable items on the medical bill. Therefore, in accordance with 28 TAC §134.403, the Medicare facility specific amount is multiplied by 130% for a MAR of $15,980.18 for procedure code 28737-RT rendered on the disputed date of service.
- Per the EOB submitted, the insurance carrier paid $15,980.18. Therefore, additional reimbursement is not recommended.

DWC finds that the requester, Baylor Surgical Hospital of Fort Worth, is not entitled to additional reimbursement for the disputed procedure code 28737-RT rendered on January 3, 2025.

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.

**Authorized Signature**

| Signature | Medical Fee Dispute Resolution Officer | July 16, 2025<br>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.