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

General Information

Requester Name
University Medical Center

Respondent Name
Texas Mutual Insurance Co.

MFDR Tracking Number
M4-25-2733-01

Carrier's Austin Representative
Box Number 54

DWC Date Received
June 30, 2025

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
December 4, 2024	Outpatient Services	$15,771.66	$0.00

Requester's Position

"We billed procedure codes 11043 & 11046 but only received a small payment of $1,107.36... UMC's position is that Texas Mutual owes $15,771.66 because services were rendered to the patient for a compensable and accepted claim and we were given approval to perform the surgery."

Amount in Dispute: $15,771.66

Respondent's Position

"The disputed procedure code 11043 was reimbursed with a 200% markup. Procedure code 11046 was not separately reimbursed because it is assigned Status indicator N, meaning its payment is packaged with other services, consistent with the OPPS payment methodology."

Response Submitted by: Texas Mutual Insurance Co.

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 §133.20 sets out requirements of timely medical bill submission.

3. 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:

- P12 – WORKERS COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT.
- 97 - THE BENEFIT FOR THIS SERVICE IS INCLUDED IN THE PAYMENT/ALLOWANCE FOR ANOTHER SERVICE/PROCEDURE THAT HAS ALREADY BEEN ADJUDICATED.
- D25 - APPROVED NON-NETWORK PROVIDER FOR WORKWELL, TX NETWORK CLAIMANT PER RULE 1305.153 (C).
- 370 – THIS HOSPITAL OUTPATIENT ALLOWANCE WAS CALCULATED ACCORDING TO THE APC RATE, PLUS A MARKUP.
- 616 - THIS CODE HAS A STATUS Q APC INDICATOR AND IS PACKAGED INTO OTHER APC CODES THAT HAVE BEEN IDENTIFIED BY CMS.
- 618 - THE VALUE OF THIS PROCEDURE IS PACKAGED INTO THE PAYMENT OF OTHER SERVICES PERFORMED ON THE SAME DATE OF SERVICE.
- 767 - PAID PER O/P FG AT 200%: IMPLANTS NOT APPLICABLE OR SEPARATE REIMBURSEMENT (WITH CERT) NOT REQUESTED PER RULE 134.403(G)
- 193 – ORIGINAL PAYMENT DECISION IS BEING MAINTAINED. UPON REVIEW IT WAS DETERMINED THAT THIS CLAIM WAS PROCESSED PROPERLY.
- 45 - CHARGE EXCEEDS FEE SCHEDULE/MAXIMUM ALLOWABLE OR CONTRACTED/LEGISLATED FEE ARRANGEMENT.
- W3 & 350 – IN ACCORDANCE WITH TDI-DWC RULE 134.804, THIS BILL HAS BEEN IDENTIFIED AS A REQUEST FOR RECONSIDERATION OR APPEAL.
- 18 - EXACT DUPLICATE CLAIM/SERVICE.

- DC3 - ADDITIONAL REIMBURSEMENT ALLOWED AFTER RECONSIDERATION.
- DC4 - NO ADDITIONAL REIMBURSEMENT ALLOWED AFTER RECONSIDERATION.
- DC7 - DUPLICATE APPEAL. NETWORK CONTRACT APPLIED BY WORKWELL, TX NETWORK.
- D25 - APPROVED NON-NETWORK PROVIDER FOR WORKWELL, TX NETWORK CLAIMANT PER RULE 1305.153 (C).
- 920 - REIMBURSEMENT IS BEING ALLOWED BASED UPON A DISPUTE.

Issues

1. What rules apply to reimbursement of the services in dispute?
2. What is the total amount of reimbursement the services in dispute have received as of the date of this medical fee dispute resolution (MFDR) review?
3. What is the total maximum allowable reimbursement (MAR) for the services in dispute rendered on December 4, 2024?
4. Is the requester entitled to additional reimbursement?

Findings

1. This Medical Fee Dispute Resolution (MFDR) request involves outpatient hospital facility services in which separate reimbursement for surgical implantable items was not requested on the medical bill.

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

   §134.403(d) requires Texas workers' compensation system participants to apply Medicare payment policies in effect on the date of service for the coding, billing, reporting and reimbursement of professional health care services.

   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).

   28 TAC §134.403(e) states in pertinent part, "Regardless of billed amount, reimbursement shall be: … (2) if no contracted fee schedule exists that complies with Labor Code §413.011, 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."

2. A review of the submitted explanation of benefits (EOB) dated February 28, 2025, finds that the insurance carrier allowed a total amount of $1,107.36 reimbursement to the requester, for outpatient surgical facility charges rendered on the disputed date of service.

   A review of the submitted EOB dated August 11, 2025, finds that the insurance carrier allowed additional reimbursement in the amount of $489.79 plus interest for outpatient surgical facility charges rendered on the disputed date of service.

   DWC finds that the services in dispute have been reimbursed in the total amount of $1,597.15 plus interest as of the date of this review.

3. The requester is seeking additional reimbursement in the amount of $15,771.66 for outpatient facility services rendered on December 4, 2024.

   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).

   The Medicare facility specific amount is calculated when the APC payment rate is multiplied by 60% to determine the unadjusted labor portion. This unadjusted labor portion is multiplied by the facility wage index to find the adjusted labor amount. The non-labor amount is determined when the APC payment rate is multiplied by 40%. Finally, the sum of the adjusted labor amount and the non-labor amount determines the Medicare specific amount.
   **Note: Medicare wage index factors are effective for the Medicare fiscal year rather than the calendar year. Accordingly, Medicare revises wage index factors annually to be effective October 1st of each year. Therefore, for this disputed date of service, December 4, 2024, the FY 2025 wage index is applicable to calculation of the MAR.*

   A review of the submitted medical bill in accordance with 28 TAC §134.403 and the applicable fee guidelines are shown below.

   - Per Medicare OPPS Addendum B, procedure code 11043 has an APC status indicator of "T", indicating "Paid under OPPS; separate APC payment." A review of the explanation of benefits documents submitted finds that procedure code 11043 has been previously reimbursed by the insurance carrier in the amount of $1,107.36. This code is assigned to APC 5053. The OPPS Addendum A payment rate is $612.13.
   - Per Medicare OPPS Addendum B, procedure codes 11046, J0690, J1100, J2250, J2405,

J3010 all have an APC status indicator of "N" to indicate the services are packaged into payment for other services and receive no separate APC payment.

- Per Medicare OPPS Addendum B, procedure code P9045 has an APC status indicator of "K" to indicate that this service receives a separate APC payment under OPPS. A review of the explanation of benefits dated August 11, 2025, finds that procedure code P9045 has been previously reimbursed by the insurance carrier in the amount of $98.23. This code is assigned to APC 0963. The OPPS Addendum A payment rate is $53.077.
- Per Medicare OPPS Addendum B, procedure codes 86850, 86900, and 86901 all have an APC status indicator of Q1 to indicate packaged APC payment if billed on the same date of service as a HCPCS assigned status indicator "S", "T", "V". Therefore, these services are packaged into the payment for the primary "T" code, which was billed under procedure code 11043, in this case.

Per a review of the submitted medical bill and the applicable fee guidelines referenced above, reimbursement calculations are outlined below:

Separate APC 5053 having status indicator of "T":

- The OPPS Addendum A, APC rate for the disputed date of service is $612.130.
- The unadjusted labor amount is 60% of the APC rate = $367.278.
- The unadjusted labor amount of $ 367.278 x the facility wage index 0.8983 = $329.926 adjusted labor amount.
- The non-labor portion is 40% of the APC rate = $244.852.
- The sum of the adjusted labor amount of $329.926 + the non-labor amount $244.852 = $574.778.
- Therefore, the Medicare facility specific amount = $574.778. This amount is multiplied by 200 percent for a MAR of $1,149.56.
- The requester previously paid $1,107.36 for this disputed procedure code.

Separate APC 0963 having status indicator of "K":

- The OPPS Addendum A, APC rate for the disputed date of service is $53.077.
- The unadjusted labor amount is 60% of the APC rate = $31.846.
- The unadjusted labor amount of $31.846 x the facility wage index 0.8983 = $28.607 adjusted labor amount.
- The non-labor portion is 40% of the APC rate = $21.231.
- The sum of the adjusted labor amount of $28.607 + the non-labor amount $21.231= $49.838.
- Therefore, the Medicare facility specific amount = $49.838 per unit. This amount is multiplied by 200 percent for a MAR of $99.68 per unit.
- The requester billed for two units of procedure code P9045, therefore the total MAR for this service rendered on the disputed date is $199.36.

- The requester previously paid $98.23 for this disputed procedure code.

DWC finds that the total MAR for the services in dispute rendered on December 4, 2024, is $1,348.92.

4. The requester is seeking additional reimbursement in the amount of $15,771.66 for outpatient services rendered on December 4, 2024.

   As established above, DWC finds that the total MAR for the disputed date of service is $1,348.92.

   As also established above, DWC finds that the insurance carrier has allowed reimbursement for the disputed date of service in the total amount of $1,597.15 as of the date of this review.

   Additional reimbursement is not recommended for the disputed outpatient services rendered on December 4, 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 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 for the disputed services.

Authorized Signature

Signature	Ginger Ross Medical Fee Dispute Resolution Officer	August 27, 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.