



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

Legent Outpatient
Surgery Austin

Respondent Name

Indemnity Insurance Co of North

MFDR Tracking Number

M4-25-3443-01

Carrier's Austin Representative

Box Number 15

DWC Date Received

August 29, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
March 5, 2025	23472	\$253.22	\$253.22

Requester's Position

The requester submitted a copy of their reconsideration that states, "We have been underpaid per the Texas Worker's Compensation Fee Schedule... We are expecting \$253.22 in additional payment."

Amount in Dispute: \$253.22

Respondent's Position

"Our initial response to the above reference medical fee dispute resolution is as follows: We have escalated the bills in question for manual review to determine if additional monies are owed."

Supplemental response submitted October 29, 2025

"The bills in question were escalated and review completed. Our bill audit company has determined that no further payment is due."

Response submitted by: Gallagher Bassett

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 TAC §133.307](#) sets out the procedures for resolving medical fee disputes.
2. [28 TAC §134.402](#) sets out the fee guidelines for ambulatory surgical centers.

Denial Reasons

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

- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
- G48 – Pricing for this procedure has been adjusted per the Medicare ambulatory surgical center device intensive procedure guideline.
- H98 – Separate payment for this service is not warranted as the service is an integral part of the surgical procedure package.
- J16 – This procedure code was ranked as the primary service when considered for multiple procedure reduction. As a result no reduction was taken.
- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- D00 – Based on further review, no additional allowance is warranted.
- W3 – In accordance with TDI-DWC Rule 134.804, this bill has been identified as a request for reconsideration or appeal.

Issues

1. What rule is applicable to reimbursement of disputed service?
2. Is Legent Outpatient Surgery Austin entitled to additional reimbursement?

Findings

1. The requester is seeking additional payment for surgery rendered in March of 2025. The insurance carrier reduced the payment per the reasons shown above. 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.

Reimbursement shall be based on the fully implemented payment amount published in the Federal Register. Reimbursement for device intensive procedures shall be the sum of the ASC device portion and the ASC service portion multiplied by 235 percent.

The following formula was used to calculate the MAR:

Procedure Code 23472 has a payment indicator of J8. This is a device intensive procedure paid at an adjusted rate. The following formula was used to calculate the MAR:

Step 1 calculating the **device portion** of the procedure:

- The national reimbursement is found in the Addendum B for National Hospital Outpatient Prospective Payment System (OPPS) code 23472 for applicable date of service = \$18,390.05
- The device dependent APC offset percentage for National Hospital OPPS found in Addendum P for code 23472 for applicable date of service is 59.11%
- Multiply these two = $\$18,390.05 \times 59.11\% = \$10,870.36$

Step 2 calculating the **service portion** of the procedure:

- Per Addendum AA, the Medicare ASC reimbursement rate for code 23472 for CY 2025 is \$14,519.98.
- This number is divided by 2 = $\$14,519.98 \div 2 = \$7,259.99$.
- This number multiplied by the CBSA for Austin, Texas of 0.988 = $\$7,259.99 \times 0.988 = \$7,172.87$.
- The sum of these two is the geographically adjusted Medicare ASC reimbursement = $\$14,432.86$.
- The service portion is found by taking the geographically adjusted rate minus the device portion = $\$14,432.86 - \$10,870.36 = \$3,562.50$

- Multiply the service portion by the DWC payment adjustment of 235% = \$3,562.50 x 235% = \$8,371.87.

Step 3 calculating the MAR:

- The MAR is determined by adding the sum of the reimbursement for the device portion and the service portion = \$19,242.23.

3. The DWC finds the MAR for CPT code 23472 is \$19,242.23. The respondent paid \$18,989.01 Additional payment in the amount of \$253.22 is due to the requestor.

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 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 Indemnity Insurance Co of North must remit to Legent Outpatient Surgery \$253.22 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	October 31, 2025 Date
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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.