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
Marcus Hayes, D.C.

Respondent Name
Hanover American Insurance Co

MFDR Tracking Number
M4-26-0144-01

Carrier's Austin Representative
Box Number 47

DWC Date Received
September 15, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
June 9, 2025	97750-FC x 11 units	$548.58	$188.66

Requester's Position

"First and as stated in the request for reconsideration, this is an out-of-network claim, therefore, any in-network reduction cannot be applied. Second. DWC Rule 134.203 (g) states, '...A maximum of 3 FCEs for each compensable injury shall be billed and reimbursed. FCEs ordered by the Division shall not count toward the three FCEs allowed for each compensable injury. FCEs shall be billed using CPT code 97750 with the modifier 'FC'. FCEs shall be reimbursed in accordance with (rule) 134.203 (c) (1) of this title. Reimbursement shall be for up to a maximum of four hours for the initial test or for a Division ordered test; a maximum of two hours for an interim test; and a maximum of three hours for the discharge test, unless it is the initial test.' [Redacted] 06/09/2025 FCE was the third FCE (first on 07/29/2024, second on 05/12/2025) and per the DWC Medical Fee Guidelines, up to 12 units is allowed for a third FCE. In this particular case, the 06/09/2025 FCE consisted of 11 units which is below the maximum 12 units allowed. Therefore, AI&FATC requests that Hanover reconsider and remit the balance due of $548.58 for said procedure performed on said patient on said date."

Amount in Dispute: $548.58

Respondents' Position

"The reason stated for the dispute is the underpayment of CPT Code 97750-FC 11 units for date of service 06/09/2025. However, after a thorough review of the documentation submitted by the provider and review by our Compliance Team, it was determined that no additional money is owed at this time based on the following information: Texas Administrative Code limits reimbursement to 2 hours for interim tests. The allowance is being reduced as the service is being billed as a subsequent FCE billing. There is currently not enough information to determine definitive payment, the provider will need to provide additional information in order to make to make that determination."

Response Submitted by: Medata Service Operations on behalf of Hanover 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 §134.203 sets out the fee guideline for professional medical services.
3. 28 TAC §134.210 applied to fee guidelines for division-specific services.
4. 28 TAC §134.225 sets the reimbursement guidelines for FCEs.

Denial Reasons

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

- 01(P12) – The charge for the procedure exceeds the amount indicated in the fee schedule.
- 26(151) – The charge exceeds the scheduled value and/or a time parameter that would appear reasonable.
- NR (45) – A PPO reduction was made for the bill and/or the bill was repriced according to a negotiated rate.
- PPO Network Name – Coventry Health Care (Texas) The payment was further reduced due to an existing PPO contracted arrangement priced using a Coventry Contract. Subject to Coventry workers comp network, a certified TX HCN revised data.
- @G(W3) – No additional reimbursement allowed after review of appeal/reconsideration.

Issues

1. Is the insurance carrier's denial based on TX HCN PPO reduction supported?
2. Are the insurance carrier's reduction codes for 01(P12) and 26(151) supported?
3. Is the requester entitled to additional reimbursement?

Findings

1. The requester seeks additional reimbursement for CPT Code 97750-FC rendered on June 9, 2025. The insurance carrier reduced the disputed services with reduction codes "NR (45) – A PPO reduction was made for the bill and/or the bill was repriced according to a negotiated rate."

   A review of the submitted documentation and information known to the division did not find information to support thar the injured worker is enrolled in a certified healthcare network. The insurance carrier's reduction is not supported. The disputed services will be reviewed per applicable fee guidelines.

2. This dispute pertains to the reduction in payment of a functional capacity exam (97750-FC), rendered on June 9, 2025. The insurance carrier issued payment in the amount of $255.96 and reduced the remaining charges with reduction reason codes 01(P12) and 26(151) (descriptions indicated above). The requester is seeking additional reimbursement in the amount of $548.58. Using the previously mentioned denial reduction codes, the insurance carrier audited and upheld the reduction decision.

   28 TAC §134.203(b)(1) states: For the coding, billing, reporting, and reimbursement of professional medical services within the Texas workers' compensation system, participants must adhere to the following requirements: Medicare payment policies shall apply, including coding guidelines, billing procedures, Correct Coding Initiative (CCI) edits, modifiers, bonus payments for Health Professional Shortage Areas (HPSAs) and Physician Scarcity Areas (PSAs), as well as any other payment policies effective on the date the service is rendered, subject to any additions or exceptions specified in the rules."

   CPT Code 97750-FC is defined as a functional capacity evaluation.

   On the disputed date of service, the requester billed CPT code 97750-FC X 11 units.

   The multiple procedure rule discounting applies to the disputed service.

   Medicare Claims Processing Manual Chapter 5, 10.7-effective June 6, 2016, titled Multiple Procedure Payment Reductions for Outpatient Rehabilitation Services, states in pertinent part:

   > Full payment is made for the unit or procedure with the highest PE payment….
   >
   > For subsequent units and procedures with dates of service on or after April 1, 2013, furnished to the same patient on the same day, full payment is made for work and malpractice, and 50 percent payment is made for the PE for services submitted on either professional or institutional claims.
   >
   > To determine which services will receive the MPPR, contractors shall rank services according to the applicable PE relative value units (RVU) and price the service with the

highest PE RVU at 100% and apply the appropriate MPPR to the remaining services. When the highest PE RVU applies to more than one of the identified services, contractors shall additionally sort and rank these services according to highest total schedule fee amount, and price the service with the highest total fee schedule amount at 100% and apply the appropriate MPPR to the remaining services.

DWC finds that the Insurance Carrier's MPPR reimbursement reduction is supported.

3. The requester billed $804.54 for 11 units of CPT code 97750-FC rendered on June 9, 2025. The insurance carrier issued a payment in the amount of $255.96 on August 25, 2025. The requester is seeking additional reimbursement in the amount of $548.58.

   The applicable fee guideline for FCEs is found at 28 TAC §134.225, which states, "The following applies to functional capacity evaluations (FCEs). A maximum of three FCEs for each compensable injury shall be billed and reimbursed. FCEs ordered by the division shall not count toward the three FCEs allowed for each compensable injury. FCEs shall be billed using CPT code 97750 with modifier "FC."

   28 TAC §134.203 states in pertinent part (c), "To determine the Maximum Allowable Reimbursement (MAR) for professional services, system participants shall apply the Medicare payment policies with minimal modifications. (1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is $52.83. For Surgery when performed in a facility setting, the established conversion factor to be applied is $66.32. (2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar year..."

   On the disputed date of service, the requester billed CPT code 97750-FC x 11 units. Although the requester states that this was the third FCE for the injured employee, according to the FCE report, the documentation does not support the fact that this was a discharge FCE test that would allow a maximum of three hours. Since the FCE report does not definitively mention discharge FCE, the maximum allowed for another interim test is two hours. To comply with maximum hours allowed for interim FCE testing the recommended number of units is 8.

   As described in Finding #2 above, the multiple procedure discounting rule applies to the disputed service.

   The MPPR Rate File that contains the payments for 2025 services is found at www.cms.gov/Medicare/Billing/TherapyServices/index.html.

   To determine the MAR the following formula is used:
   (DWC Conversion Factor/Medicare Conversion Factor) X Medicare Payment = MAR.

   - The disputed date of service is June 9, 2025.
   - MPPR rates are published by carrier and locality.
   - Disputed service was rendered in zip code 77034, locality 18, Houston.
   - The Medicare participating amount for CPT code 97750 in 2025 at this locality is $33.71

for the first unit, and $24.46 for each subsequent unit.

- The 2025 DWC Conversion Factor is 70.18
- The 2025 Medicare Conversion Factor is 32.3465
- Using the above formula, DWC finds the MAR is $73.14 for the first unit, and $371.48 for the subsequent 7 units for a total of $444.62.
- The respondent paid $255.96.
- An additional reimbursement of $188.66 is recommended.

DWC finds that additional reimbursement is due.

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 in the amount of $188.66.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requester is entitled to additional reimbursement. It is ordered that the respondent must remit to the requester $188.66 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	December 10, 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.