



Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name
Midland Memorial
Hospital

Respondent Name
State Office of Risk Management.

MFDR Tracking Number
M4-26-0180-01

Carrier's Austin Representative
Box Number 45

DWC Date Received
September 18, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
November 7 – 10, 2024	Emergency	\$12,771.37	\$0.00

Requestor's Position

"This claim has been reviewed by a registered nurse auditor. The physician order was observation, an outpatient admission type. There was no inpatient order within the inpatient clinical records."

Amount in Dispute: \$12,771.37

Respondent's Position

"The Office performed an in-depth review of the dispute packet submitted by Midland Memorial Hospital and will maintain our original denials, as the documentation and the observation hours billed exceeded 24 hours and should have been billed as inpatient services."

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 §134.403](#) sets out the requirements of outpatient hospital services.

Denial Reasons

The insurance carrier reduced or denied the disputed service(s) with the following claim adjustment codes.

- 281 – The attachment content received did not contain the content required to process this claim or service.
- 193 – Original payment decision is being maintained. Upon review it was determined that this claim was processed properly.
- W3 – Reporting purposes only
- Observation hours billed exceeds 24 hours therefore provider should bill as IP service for further review.

Issues

1. Did the requester support their position statement?

Findings

1. The requester is seeking reimbursement of medical services rendered over a three day period at Midland Memorial Hospital. The medical bill submitted indicates bill type (131) outpatient. The insurance carrier denied stating claim should have been billed as inpatient. The requester states, "The physician order was observation." Review of the submitted medical records indicate the following.

- Admit date November 7, 2024
- Discharge date November 10, 2024

- Emergency documentation (page 31 of submitted documentation) – Dr. Chiluka will admit the pt.
- Page 32 of submitted documentation – Complexity or Risk of Complication in Management. “High complexity/risk of morbidity from testing or treatment: Hospitalization Disposition: Admit.
- Page 42 of submitted documentation – Emergency Documentation – Discharge Disposition: Admitted as Inpatient.

Based on this review, DWC finds the submitted documentation indicates that injured employee was admitted for inpatient hospital services after discharge from the emergency room. The insurance carrier’s denial is supported, the requester’s position statement is not. No payment is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requestor 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 requestor is entitled to \$0.00 additional reimbursement for the disputed services.

Authorized Signature

October 8, 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 electrónico CompConnection@tdi.texas.gov.