



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

Legent Interventional Pain Center

Respondent Name

City of Fort Worth

MFDR Tracking Number

M4-26-0627-01

Carrier's Austin Representative

Box Number 4

DWC Date Received

November 3, 2025

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
April 8, 2025	63685, 63650, 63650, C1820 & C1778	\$8,326.74	\$2,138.37

Requester's Position

Excerpt from second level appeal dated September 17, 2025: "We are asking you to review your calculations regarding your payment. We have been underpaid per the Texas work compensation fee schedule... We have only been paid \$40,629.23. We are owed an additional \$8,326.74 to be in compliance with the TX WC FS rules, regulations and administrative codes."

Amount in Dispute: \$8,326.74

Respondent's Position

"Sedgwick, has reviewed the MDR Request and stands by its original payment determination for this date of service."

Response submitted by: Ricky D. Green, PLLC

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 §133.305](#) sets out general Medical Dispute Resolution guidelines.
3. [28 TAC §134.402](#) sets out the fee guidelines for ambulatory surgical centers.

Adjustment Reasons

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

- 1014 - THE ATTACHED BILLING HAS BEEN RE-EVALUATED AT THE REQUEST OF THE PROVIDER. BASED ON THIS RE-EVALUATION, WE FIND OUR ORIGINAL REVIEW TO BE CORRECT. THEREFORE, NO ADDITIONAL ALLOWANCE APPEARS TO BE WARRANTED.
- 2005 - NO ADDITIONAL REIMBURSEMENT ALLOWED AFTER REVIEW OF APPEAL/RECONSIDERATION.
- 4123 - ALLOWANCE IS BASED ON TEXAS ASC DEVICE INTENSIVE PROCEDURE CALCULATION AND GUIDELINES.
- 4915 - THE CHARGE FOR THE SERVICES REPRESENTED BY THE CODE IS INCLUDED/BUNDLED INTO THE TOTAL FACILITY PAYMENT AND DOES NOT WARRANT A SEPARATE PAYMENT OR THE PAYMENT STATUS INDICATOR DETERMINES THE SERVICE IS PACKAGED OR EXCLUDED FROM PAYMENT.
- 983 - CHARGE FOR THIS PROCEDURE EXCEEDS MEDICARE ASC SCHEDULE ALLOWANCE.
- 193 - ORIGINAL PAYMENT DECISION IS BEING MAINTAINED. UPON REVIEW, IT WAS DETERMINED THAT THIS CLAIM WAS PROCESSED PROPERLY.
- 97 - PAYMENT ADJUSTED BECAUSE THE BENEFIT FOR THIS SERVICE IS INCLUDED IN THE PAYMENT/ALLOWANCE FOR ANOTHER SERVICE/PROCEDURE THAT HAS ALREADY BEEN ADJUDICATED.
- P12 - WORKERS' COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT.
- W3 - BILL IS A RECONSIDERATION OR APPEAL.
- N702 - Decision based on review of previously adjudicated claims or for claims in process

for the same/similar type of services.

- N600 - Adjusted based on the applicable fee schedule for the region in which the service was rendered.

Issues

1. What Rule applies to the reimbursement of the services in dispute?
2. According to DWC applicable Rules, what is the total maximum allowable reimbursement (MAR) for the services rendered on the date in dispute?
3. Is the requester entitled to additional reimbursement for the services in dispute?

Findings

1. This medical fee dispute involves facility charges for surgical services rendered on June 24, 2025, in a licensed ambulatory surgical center (ASC).

DWC Rule 28 TAC §134.402 (d), which applies to the disputed service, 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 maximum allowable reimbursement (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.

2. On the disputed date of service, the requester billed one unit each of the following procedure codes: CPT codes 63685, 63650, 63650-59, as well as two surgical implant codes. Separate reimbursement for implants was not requested on the medical bill.

The procedure codes billed on the disputed date of service are described as:

- CPT code 63685 - Insertion or replacement of spinal neurostimulator pulse generator or receiver, requiring pocket creation and connection between electrode array and pulse generator or receiver.
- CPT code 63650 - Percutaneous implantation of neurostimulator electrode array, epidural.
- CPT codes C1820, C1778 – describe surgical implantable* products. The provider did not request separate reimbursement for surgical implantables.

*Separate reimbursement for implants was not requested on the medical bill; therefore, the implant codes will not be calculated for MAR in this medical fee dispute resolution (MFDR) review.

In accordance with 28 TAC §134.402, the MAR for the services in dispute is calculated as follows:

Procedure Code 63685 has an ASC payment indicator of J8 which indicates a device intensive procedure paid at an adjusted rate.

The following formula is used to calculate the MAR:

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

Per 28 TAC §134.402 (b)(2), "ASC device portion" means the portion of the ASC payment rate that represents the cost of the implantable device and is calculated by applying the Centers for Medicare and Medicaid Services (CMS) Outpatient Prospective Payment System (OPPS) device offset percentage to the OPPS payment rate. The device offset percentage information can be found in the [CMS OPPS Addendum P](#).

- The national reimbursement is found in Addendum B for National Hospital Outpatient Prospective Payment System (OPPS). The payment rate for procedure code 63685 on the applicable date of service = \$30,473.59.
- The device dependent APC offset percentage for National Hospital OPPS in Addendum P for code 63685 on the applicable date of service is 80.75%.
- Multiply the above \$30,473.59 x 80.75% = \$24,607.424, the device portion of the procedure.

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

Per 28 TAC §134.402 (b)(3), "ASC service portion" means the Medicare ASC payment rate less the device portion.

- Per Addendum AA, the Medicare ASC reimbursement rate for code 63685 for CY 2025 is \$26,281.67.
- This number is divided into 2 = \$13,140.835.

- This number multiplied by the CBSA for Tarrant County/Fort Worth, Texas region of 0.9558 = \$12,560.01.
- The sum of these two, \$13,140.835 + \$12,560.01, is the geographically adjusted Medicare (MC) ASC reimbursement = \$25,700.845
- The service portion is found by subtracting the device portion \$24,607.424 from the geographically adjusted MC ASC rate \$25,700.845 = \$1,093.421.
- Multiply the service portion, \$1,093.421 by the DWC payment adjustment of 235% = \$2,569.539, the final DWC service portion amount.

Step 3 calculating the **MAR**:

- The MAR is determined by adding the sum of the device portion \$24,607.424 and the final DWC service portion \$2,569.539 = \$27,176.963.

DWC finds the MAR for the disputed CPT code 63685, rendered on April 8, 2025, is \$27,176.96.

Procedure Code 63650 has an ASC payment indicator of J8 which indicates a device intensive procedure paid at an adjusted rate.

The following formula is used to calculate the MAR:

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

Per 28 TAC §134.402 (b)(2), "ASC device portion" means the portion of the ASC payment rate that represents the cost of the implantable device and is calculated by applying the Centers for Medicare and Medicaid Services (CMS) Outpatient Prospective Payment System (OPPS) device offset percentage to the OPPS payment rate. The device offset percentage information can be found in the [CMS OPPS Addendum P](#).

- The national reimbursement is found in Addendum B for National Hospital Outpatient Prospective Payment System (OPPS). The payment rate for procedure code 63650, on the applicable date of service = \$6,562.90.
- The device dependent APC offset percentage for National Hospital OPPS in Addendum P for code 63650 on the applicable date of service is 43.89%.
- Multiply the above \$6,562.90 x 43.89% = \$2,880.457, the device portion of the procedure.

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

Per 28 TAC §134.402 (b)(3), "ASC service portion" means the Medicare ASC payment rate less the device portion.

- Per Addendum AA, the Medicare ASC reimbursement rate for code 63650 for CY 2025 is \$5,084.25.
- This number is divided into 2 = \$2,542.125.
- This number multiplied by the CBSA for Tarrant County/Fort Worth, Texas region of 0.9558 = \$2,429.763.
- The sum of these two, \$2,542.125 + \$2,429.763, is the geographically adjusted Medicare (MC) ASC reimbursement = \$4,971.888
- The service portion is found by subtracting the device portion \$2,880.457 from the geographically adjusted MC ASC rate \$4,971.888 = \$2,091.431.
- Multiply the service portion, \$2,091.431 by the DWC payment adjustment of 235% = \$4,914.862, the final DWC service portion amount.

Step 3 calculating the **MAR**:

- The MAR is determined by adding the sum of the device portion \$2,880.457 and the final DWC service portion \$4,914.862 = \$7,795.319.

DWC finds the MAR for the disputed CPT code 63650, rendered on April 8, 2025, is \$7,795.32. The requester charged for this code twice, with the second charge line of 63650 appended with modifier "59" to indicate a separately identifiable service. Therefore, DWC finds that the MAR for CPT code 63650 and 63650-59 is \$15,590.64.

According to applicable DWC Rules and the calculations shown above, the total MAR is \$42,767.60 for the disputed services rendered on April 8, 2025, in a licensed ASC.

3. The requester is seeking additional reimbursement in the amount of \$8,326.74 for services rendered on April 8, 2025, in a licensed ambulatory surgical center.

As indicated in the previous finding, DWC finds that the total MAR for the services in dispute is \$42,767.60.

A review of the submitted explanation of benefits (EOB) dated July 7, 2025, finds that the insurance carrier has previously allowed reimbursement for the disputed services rendered on April 8, 2025, in the amount of \$40,629.23.

DWC finds that the requester is entitled to additional reimbursement in the amount of \$2,138.37 for the disputed services rendered in a licensed ambulatory surgical center on April 8, 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 established that additional reimbursement is due in the amount of \$2,138.37.

Order

Under Texas Labor Code §§413.031, the DWC has determined the requester is entitled to additional reimbursement for the disputed services. It is ordered that the Respondent, City of Fort Worth, must remit to the Requester, Legent Interventional Pain Center, \$2,138.37 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

_____	_____	December 3, 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.