



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

Momentum Specialty Surgery Center

Respondent Name

Arch Insurance Company

MFDR Tracking Number

M4-26-0687-01

Insurance Carrier's Austin Representative

BOX 19 Flahive Ogden & Latson

DWC Date Received

November 10, 2025

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
July 11, 2025	24342-RT	\$5,749.89	\$5,007.39
Total		\$5,749.89	\$5,007.39

Requester's Position

"Line item 24342/RT is not paid correctly according to the Texas ASC fee schedule. Please note that box 24B of the CMS-1500 includes number 24. This indicates that the place of service is an ambulatory surgery center... You previously paid \$2,024.53 toward line item 24342/RT. Please remit the remaining balance due of \$5,749.89"

Amount In Dispute: \$5,749.89

Respondent's Position

The Austin carrier representative for Arch Insurance Co. is Flahive, Ogden & Latson. The representative was notified of this medical fee dispute on November 12, 2025.

Per 28 Texas Administrative Code §133.307(d)(1), if DWC does not receive the response within 14 calendar days of the dispute notification, then DWC may base its decision on the available information.

As of today, no response has been received from the insurance carrier or its representative. We will base this decision on the information available.

Findings and Decision

Authority

This medical fee dispute is decided according to Texas Labor Code Section [413.031](#) and other applicable laws and rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Statutes and Rules

1. 28 Texas Administrative Code (TAC) Section [133.307](#) sets out the procedures for resolving medical fee disputes.
2. 28 TAC Section [134.402](#) sets out the guidelines for ambulatory surgical centers.

Adjustment Reasons

The insurance carrier reduced payment for the disputed services with the following reasons:

1. P12 & 90223 – Workers' compensation jurisdictional fee schedule adjustment.
2. 4063 – REIMBURSEMENT BASED ON THE PHYSICIAN FEE SCHEDULE WHEN A PROFESSIONAL SERVICE WAS PERFORMED IN THE FACILITY SETTING.

Issues

1. What is DWC considering in this medical fee dispute?
2. What rules apply to the services in dispute?
3. What is the maximum allowable reimbursement (MAR) for the services in question?
4. Is the requester entitled to additional reimbursement?

Findings

1. This medical fee dispute resolution (MFDR) review involves reduced payment for surgery services rendered in a licensed ambulatory surgical center (ASC) on July 11, 2025.

Specifically, the procedure code in dispute is CPT code 24342-RT.

A review of the submitted medical bill finds that on the date of service in dispute the requester billed one unit each of CPT surgical code 24342-RT and CPT code C1713 which represents a surgical implantable product.

DWC notes that separate reimbursement for surgical implants was not requested on the medical bill.

A review of the submitted explanation of benefits (EOB) dated August 21, 2025, finds that the insurance carrier allowed reimbursement for CPT code 24342-RT in the amount of \$2,024.53, and in the amount of \$742.50 for one unit of CPT code C1713. DWC finds that as of the date of this review, the insurance carrier has allowed reimbursement in the total amount of \$2,767.03 for surgical services rendered on July 11, 2025.

The requester is seeking additional reimbursement in the amount of \$5,749.89. DWC will review the surgical services rendered on July 11, 2025, in accordance with applicable Statutes and Rules to determine if additional reimbursement is due to the requester.

2. Because this MFDR review involves services rendered in a licensed ASC, DWC finds that Rule 28 TAC Section 134.402 applies to the reimbursement of the services in dispute.

DWC Rule 28 TAC Section 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 Section 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...

"(1) Reimbursement for non-device intensive procedures shall be:

- (A) The **Medicare ASC facility reimbursement amount multiplied by 235 percent;**
or
- (B) if an ASC facility or surgical implant provider requests separate reimbursement for an implantable reimbursement for the non-device intensive procedure shall be the

sum of:

- (i) the lesser of the manufacturer's invoice amount or the net amount (exclusive of rebates and discounts) plus 10 percent or \$1,000 per billed item add-on, whichever is less, but not to exceed \$2,000 in add-on's per admission; and
- (ii) the Medicare ASC facility reimbursement amount multiplied by 153 percent."

A review of the submitted medical bills finds that **the facility did not request separate reimbursement for surgical implantables** in this case. As a result, DWC will not include surgical implant products in the calculation of the MAR for the disputed date of service.

3. The requester, a licensed ambulatory surgical center, is seeking additional reimbursement in the amount of \$5,749.89 for surgical procedure code 24342-RT rendered on July 11, 2025.

Procedure code 24342 is described as "Reinsertion of ruptured biceps or triceps tendon, distal, with or without tendon graft". Per 2025 ASC Addendum AA CPT code 24342 has a payment indicator of A2 indicating a surgical procedure on the ASC list in CY 2007; payment is based on OPPS relative payment weight.

Because separate reimbursement for the surgical implant was not requested on the submitted medical bill, CPT code 24342 is the only procedure code from the medical bill that is allowed reimbursement in accordance with 28 TAC Section 134.402.

DWC Rule 28 TAC Section 134.402(f)(2) states in pertinent part "reimbursement for non-device intensive procedures shall be the Medicare ASC facility reimbursement amount multiplied by 235 percent."

The following formula is used to calculate the MAR:

- The Medicare ASC reimbursement for **CPT code 24342** on the applicable date of service is \$3,510.84.
- The Medicare ASC reimbursement is divided by 2 = \$1,755.42.
- This number multiplied by the 2025 CBSA index of 0.8846, for Wichita Falls, TX = \$1,552.845.
- Add these two figures together = \$3,308.265, the geographically adjusted Medicare ASC rate.
- To determine the MAR for CPT code 24342, multiply the geographically adjusted Medicare ASC reimbursement of \$3,308.265 by the DWC payment adjustment factor of 235% = \$7,774.4223.
- DWC finds that the **MAR for the disputed CPT code 24342-RT is \$7,774.42.**
- The insurance carrier allowed a total reimbursement amount of \$2,767.03 for surgical services rendered on the disputed date of service.

- Additional reimbursement in the amount of \$5,007.39 is recommended.

DWC finds that the requester is entitled to additional reimbursement in the amount of \$5,007.39.

Conclusion

The outcome of this medical fee dispute is based on the evidence requester and the respondent presented 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 Sections [413.031](#) and [413.019](#), DWC has determined the requester is entitled to additional reimbursement for the disputed services. It is ordered that Arch Insurance Company must remit to Momentum Specialty Surgery Center \$5,007.39 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC Section [134.130](#).

Authorized Signature

_____	_____	February 19, 2026
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 Section [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 800-252-7031, option three 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 this Medical Fee Dispute Resolution Findings and Decision** with any other required information listed in 28 TAC Section [141.1\(d\)](#).

Si prefiere hablar con una persona en español acerca de esta correspondencia, favor de llamar a 800-252-7031, opción tres o correo electrónico CompConnection@tdi.texas.gov.