

Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

Reece Hayden, D.C.

Respondent Name

Starr Indemnity & Liability Co

MFDR Tracking Number

M4-26-0874-01

Insurance Carrier's Austin Representative

BOX 19 Flahive Ogden & Latson

DWC Date Received

November 21, 2025

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
February 29, 2025 [sic] (March 29, 2025)	97750 - FC	\$1,170.40	\$0.00
Total		\$1,170.40	\$0.00

Requester's Position

"No response or correspondence to original bill or reconsideration."

Amount In Dispute: \$1,170.40

Respondent's Position

"We are attaching a copy of the Provider's CMS 1500 and the Carrier's EOBs dated May 23, 2025, May 27, 2025 and December 4, 2025. There are two EOBs for December 4, 2025. One recommended payment of \$862.22. The other recommended payment of interest in the amount of \$23.55. The Carrier arrived at the reimbursement amount of \$862.22 based upon the number of units the Provider billed. There were 16 units. The first unit is paid at \$72.62. Each additional unit was paid with the multiple payment reduction applied in the amount of \$52.64. Thus the first unit

was paid at \$72.62 and the subsequent 15 units are paid at \$52.64 each. The Provider has been paid pursuant to the Medical Fee Guidelines. The Provider is not entitled to any additional monies.”

Response Submitted By: Flahive, Ogden & Latson

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.

Adjustment Reasons

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

1. 296 – Service exceeds maximum reimbursement guidelines.
2. U301 – This item has been reviewed on a previously submitted bill, or is currently in process. Notification of decision has been previously provided or will be issued upon completion of our review.
3. 163 – The charge for this procedure exceeds the unit value and/or the multiple procedure rules.
4. 309 – The charge for this procedure exceeds the fee schedule allowance.
5. 876 – Fee schedule amount is equal to the charge.
6. Z907 – Non-printable message to bypass customer fees for bills with only an interest service line.

Issues

1. What is DWC considering in this medical fee dispute?
2. Has the insurance company issued payment for the disputed fee amount as of the date of this review?
3. Is the insurance carrier’s reduction supported?
4. Is the requester entitled to additional reimbursement?

Findings

1. This dispute pertains to the reduction in payment of a functional capacity exam (97750-FC) referred to by a designated doctor listed on the table of disputed services with a service date of February 29, 2025. However, upon review of the submitted documentation, including EOBs, CMS-1500 and the position summary, it appears that the date of February 29, 2025, is

a typographical error. The correct date of service is March 29, 2025 and this date will be considered in the current review.

2. A review of the documentation provided from the insurance carrier finds that a payment of \$862.22 for the disputed service and an interest payment of \$23.55 were made on December 4, 2025.
3. The insurance carrier reduced charges with reduction reason code 163, 296 and 309 (descriptions indicated above).

28 TAC Section 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 16 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 the 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 the 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 carrier's MPPR -based payment reduction applies to the disputed service.

4. The requester billed \$1,170.40 for 16 units of CPT code 97750-FC rendered on March 29,

2025. The insurance carrier issued a payment of \$862.22 on December 4, 2025.

The applicable fee guideline for FCEs is found at 28 TAC Section 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.' FCEs shall be reimbursed in accordance with §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. Documentation is required."

28 TAC Section 134.203 states in pertinent part, "(c) To determine the 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 16 units.

As described in Finding #1 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 March 29, 2025.
- MPPR rates are published by carrier and locality.
- Disputed service was rendered in zip code 77573, locality 15, Galveston.
- The Medicare participating amount for CPT code 97750 in 2025 at this locality is \$33.47 for the first unit, and \$24.26 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 \$72.62 for the first unit, and \$52.64 for each of the subsequent 15 units for a total of \$789.60 for a MAR amount of \$862.22.
- The respondent paid \$862.22.

- No additional reimbursement is recommended.

DWC finds that no additional reimbursement is due.

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 not 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 \$0.00 reimbursement for the disputed services.

Authorized Signature

_____	_____	January 28, 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.