



Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

University Medical Center

Respondent Name

Texas Municipal League

MFDR Tracking Number

M4-26-1221-01

Insurance Carrier's Austin Representative

BOX 19 Flahive Ogden & Latson

DWC Date Received

December 29, 2025

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
May 7 – 9, 2025	Outpatient surgery	\$12,568.69	\$934.27
Total		\$12,568.69	\$934.27

Requester's Position

"UMC's position is that Texas Municipal League owes \$12,568.69 for services rendered to the patient in our facility."

Amount In Dispute: \$12,568.69

Respondent's Position

"The provider has been paid \$4,038.07. The provider has been paid pursuant to Medical Fee Guidelines. The provider is not entitled to any additional payments."

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.
2. 28 TAC Section [134.403](#) sets out the guidelines for outpatient hospital services.

Adjustment Reasons

- P12 – Workers' compensation jurisdictional fee schedule.
- 356 – This outpatient allowance was based on the Medicare's methodology (Part B) plus the Texas markup.
- 618 – The value of this procedure is packaged into the payment of other services performed on the same date of service.
- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
- 236 – This procedure or procedure/modifier combination is not compatible with another procedure or procedure/modifier/combination provided on the same day according to the NCCI or workers compensation state regulations/fee schedule requirements.
- P5 – Based on-payer reasonable and customary fees. No maximum allowable defined by legislated fee arrangement.
- W3/350 – In accordance with TDI-DWC Rule as a request for reconsideration.
- 370 – This hospital outpatient allowance was calculated according to the APC rate, plus a markup.
- 616 – This code has a status Q APC indicator and is packaged into other APC codes that have been identified by CMS.
- 435 – Per NCCI edits, the value of this procedure is included in the value of the comprehensive procedure.
- 360 – Allowance for this procedure was made at the usual and customary amount for the geographical area.

Issues

1. What is DWC considering in this medical fee dispute?
2. What rule is applicable to reimbursement?
3. Is the requester due additional reimbursement?

Findings

1. The requester is seeking additional reimbursement for outpatient hospital services rendered from May 7 – 9, 2025 in the amount of \$12,568.69. The insurance carrier supports a payment was made in the amount of \$4,038.07. The reductions made are shown above.
2. 28 TAC Section 134.403 (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 10.1.1. Specifically, Payment Status Indicators and Ambulatory Payment Category (APC).

28 TAC Section 134.403 (e)(2) states in pertinent part, regardless of billed amount, if no contracted fee schedule exists that complies with Labor Code §413.011, the maximum allowable reimbursement (MAR) amount under subsection (f) of this section including any applicable outlier payment amounts and reimbursement for implantables.

28 TAC Section 134.403 (f) states in pertinent part the reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*.

The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:

(A) 200 percent;

Review of the submitted documentation found no evidence of a contract and the submitted medical bill did not contain a request for separate implant reimbursement.

The Medicare facility specific amount is calculated when the APC payment rate is multiplied by 60% to determine the labor portion. This amount is multiplied by the facility wage index for the date of service. The non-labor amount is determined when the APC payment rate is multiplied by 40%. The sum of the labor portion multiplied by the facility wage index and the non-labor portion determines the Medicare specific amount. Review of the submitted medical bill and the applicable fee guidelines referenced above are shown below.

- The services rendered from May 7 – 9, 2025 in an outpatient setting included Code G0378 (Observation) for a total of 50 hours. When outpatient surgical services are rendered in conjunction with greater than eight hours of observation, the entire medical bill is subject to comprehensive payment and packaging.

The APC for comprehensive observation is 8011. The OPPS Addendum A rate is \$2,647.73 multiplied by 60% for an unadjusted labor amount of \$1,588.64, in turn

multiplied by facility wage index 0.8983 for an adjusted labor amount of \$1,427.08.

The non-labor portion is 40% of the APC rate, or \$1,059.09.

The sum of the labor and non-labor portions is \$2,486.17.

The Medicare facility specific amount is \$2,486.17 multiplied by 200% for a MAR of \$4,972.34.

3. The total recommended reimbursement for the disputed services is \$4,972.34. The insurance carrier paid \$4,038.07. The amount due is \$934.27. This amount is recommended.

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 Texas Municipal League must remit to University Medical Center \$934.27 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC Section [134.130](#).

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

January 30, 2026

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.