TDI Division of Workers' Compensation
PO Box 12050 | Austin, TX 78711 | 800-252-7031 | tdi.texas.gov/wc

Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

Marcus P. Hayes, D.C.

Respondent Name

AIU Insurance Co

MFDR Tracking Number

M4-26-2514-01

Insurance Carrier's Austin Representative

BOX 19 Flahive Ogden & Latson

DWC Date Received

May 6, 2026

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
February 16, 2026	97110	$76.03	$0.00
February 16, 2026	97530	$40.25	$0.00
February 16, 2026	97124	$12.60	$0.00
February 18, 2026	97110	$76.03	$0.00
February 18, 2026	97530	$40.25	$0.00
February 18, 2026	97124	$12.60	$0.00
February 20, 2026	97110	$76.03	$0.00
February 20, 2026	97530	$40.25	$0.00
February 20, 2026	97124	$12.60	$0.00
February 26, 2026	97110	$76.03	$0.00

February 26, 2026	97530	$40.25	$0.00
February 26, 2026	97124	$12.60	$0.00
February 27, 2026	97110	$76.03	$0.00
February 27, 2026	97530	$40.25	$0.00
February 27, 2026	97124	$12.60	$0.00
March 4, 2026	97110	$76.03	$0.00
March 4, 2026	97530	$40.25	$0.00
March 4, 2026	97124	$12.60	$0.00
March 5, 2026	97110	$76.03	$0.00
March 5, 2026	97530	$40.25	$0.00
March 5, 2026	97124	$12.60	$0.00
March 6, 2026	97110	$76.03	$0.00
March 6, 2026	97530	$40.25	$0.00
March 6, 2026	97124	$12.60	$0.00
March 11, 2026	97110	$76.03	$0.00
March 11, 2026	97530	$40.25	$0.00
March 11, 2026	97124	$12.60	$0.00
March 12, 2026	97110	$76.03	$0.00
March 12, 2026	97530	$40.25	$0.00
March 12, 2026	97124	$12.60	$0.00
March 18, 2026	97110	$76.03	$0.00
March 18, 2026	97530	$40.25	$0.00

March 18, 2026	97124	$12.60	$0.00
March 19, 2026	97110	$76.03	$0.00
March 19, 2026	97530	$40.25	$0.00
February 16, 2026 [sic] (March 19, 2026)	97124	$12.60	$0.00
	Total	$1,546.56	$0.00

Requester's Position

"I am writing to request an MFDR for the following date of service for date range of 02/16-03/19/26 a reconsideration was submitted on April 01,2026 for a bill that was not paid by the insurance company correctly. Sedgwick has process[ed] this bill as network claim, but this claim is an out of network claim therefore a PPO reduction cannot be applied."

Amount In Dispute: $1,546.56

Respondent's Position

"The current dispute involves physical therapy services billed under CPT codes 97110, 97530, and 97124 with dates of service ranging from 02/16/2026 through 03/18/2026. The total amount in dispute is $1,420.68. The carrier maintains that the bills were processed in accordance with applicable PPO/network reductions and that the Medical Fee Dispute Resolution (MDR) process does not apply to this matter."

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 134.600 sets out the preauthorization guidelines for specific treatments and services.

Adjustment Reasons

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

1. 199 – Number of services exceed utilization agreement.
2. 877 – Reimbursement is based on the contracted amount.
3. 197 – Payment denied/reduced for absence of precertification/authorization.
4. 45 – Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.
5. CO – The amount adjusted due to a contractual obligation between the provider and the payer. It is not the patient's responsibility under any circumstances.
6. OA – Other adjustment.
7. B01- Network reduction: Coventry P&T priced used Coventry contract.

Issues

1. What is DWC considering in this medical fee dispute?
2. Is the claim part of a certified healthcare network?
3. Is the insurance carrier's reduction based on precertification supported?
4. Is the requester entitled to reimbursement for the services at issue?

Findings

1. The requester seeks additional reimbursement for CPT Codes 97110-GP, 97530-GP and 97124-GP rendered on multiple dates between February 16, 2026, through March 19, 2026. The insurance carrier reduced the disputed services with reduction codes indicated above. The requester seeks additional payment stating that network reductions do not apply to the claim.

   The requester identified the date of service as February 16, 2026, on the last page of the DWC-060; however, this is a typographical error. A review of the medical bills and explanations of benefits (EOBs) confirms the correct date of service as March 19, 2026. This date, along with the remaining dates of service listed in the table of disputed services, are therefore reviewed for determination in accordance with applicable DWC statutes and rules.

2. The requester is seeking additional reimbursement for physical therapy services totaling $1,546.56, rendered on several dates between February 16, 2026, through March 19, 2026. The carrier reduced these services citing reason code 45 with the explanation "charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement" and 877 which states, "Reimbursement is based on the contracted amount."

   A review of the submitted documentation and information available to the division finds that the injured employee is not enrolled in a certified healthcare network. Therefore, the

carrier's denial is not supported. Consequently, the disputed services are reviewed in accordance with the applicable rules and guidelines.

3. The insurance carrier reduced payment for CPT codes 97110, 97530, and 97124 with reason code 197, indicating that payment was denied or reduced due to the absence of required precertification or authorization.

   A review of the medical bills finds that the requester billed the CPT codes 97110-GP, 97530-GP and 97124-GP. The definitions of these codes are provided below:

   - CPT 97110 - Therapeutic Exercises to develop strength and endurance, range of motion and flexibility (one or more areas, each 15 minutes).
   - CPT 97530 - Therapeutic Activities, direct (one-on-one) patient contact (use of dynamic activities to improve functional performance), each 15 minutes.
   - CPT 97124 – Massage, including effleurage, petrissage and/or tapotement (stroking, compression, percussion) (one or more areas, each 15 minutes).

   The requester appended the "GP" modifier to both codes. The "GP" modifier is described as "Services delivered under an outpatient physical therapy plan of care."

   28 TAC Section 134.600(p)(5)(A) (i-ii) states, "non-emergency health care requiring preauthorization includes: (5) physical and occupational therapy services, which includes those services listed in the Healthcare Common Procedure Coding System (HCPCS) at the following levels:

   (A)Level I code range for Physical Medicine and Rehabilitation, but limited to:

   (i)Modalities, both supervised and constant attendance;

   (ii)Therapeutic procedures, excluding work hardening and work conditioning."

   The requester submitted copies of email correspondence between Sedgwick and the practice administrator dated February 11, 2026, and February 12, 2026, seeking clarification regarding authorization for physical therapy services. In the email exchange, a Sedgwick RN stated, "12 visits are approved. I cannot change that form as it has been closed out. Will this email suffice as approval for 12 visits?"

   However, the requester did not submit a copy of the referenced authorization form with the medical fee dispute resolution request. As a result, DWC is unable to verify the specific services authorized, whether the authorization applied to the dates of service in dispute, or whether the number of units billed was covered by the authorization. Therefore, DWC finds that the requester submitted insufficient documentation to establish that the services in dispute were properly preauthorized. Accordingly, the documentation provided does not support reimbursement, and additional payment cannot be recommended.

4. DWC concludes that the services in dispute are subject to preauthorization requirements. Because the requester did not submit sufficient documentation to verify that the services, dates of service, and units billed were covered by an applicable authorization, compliance

with the preauthorization requirements could not be established. Accordingly, reimbursement for the disputed services is not recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence the 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 additional reimbursement for the disputed services.

Authorized Signature

		June 3, 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 electronico CompConnection@tdi.texas.gov.