TDI Division of Workers' Compensation
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Medical Fee Dispute Resolution Findings and Decision

General Information

Requester Name

PHW Southwest

Respondent Name

Pennsylvania Manufacturers Assoc

MFDR Tracking Number

M4-26-2593-01

Insurance Carrier's Austin Representative

BOX 19 Flahive Ogden & Latson

DWC Date Received

May 8, 2026

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
January 13, 2026	97110	$45.00	$45.00
January 13, 2026	97530	$22.40	$22.40
January 13, 2026	97124	$8.40	$8.40
January 15, 2026	97110	$45.00	$45.00
January 15, 2026	97530	$22.40	$22.40
January 15, 2026	97124	$8.40	$8.40
January 16, 2026	97110	$45.00	$45.00
January 16, 2026	97530	$22.40	$22.40
January 16, 2026	97124	$8.40	$8.40
January 20, 2026	97110	$45.00	$45.00

January 20, 2026	97530	$22.40	$22.40
January 20, 2026	97124	$8.40	$8.40
January 22, 2026	97110	$45.00	$45.00
January 22, 2026	97530	$22.40	$22.40
January 22, 2026	97124	$8.40	$8.40
January 23, 2026	97110	$45.00	$45.00
January 23, 2026	97530	$22.40	$22.40
January 23, 2026	97124	$8.40	$8.40
January 27, 2026	97110	$45.00	$45.00
January 27, 2026	97530	$22.40	$22.40
January 27, 2026	97124	$8.40	$8.40
January 29, 2026	97110	$45.00	$45.00
January 29, 2026	97530	$22.40	$22.40
January 29, 2026	97124	$8.40	$8.40
January 30, 2026	97110	$45.00	$45.00
January 30, 2026	97530	$22.40	$22.40
January 30, 2026	97124	$8.40	$8.40
	Total	2,728.80	$682.20

Requester's Position

"PMA Insurance has processed this bill as network claim but this claim is an out of network claim therefore a PPO reduction cannot be applied."

Amount In Dispute: $2,728.80

Respondent's Position

"It is the Carrier's position that the Provider is not entitled to any additional monies beyond those already paid in the amount of $2,728.80."

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 134.203 sets out the fee guidelines for professional medical services.

Adjustment Reasons

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

- 45 – Charge exceeds fee schedule allowable or contracted/legislated fee arrangement.
- 225 – The recommended allowance is based on a PPO contract held with your facility.
- P12 – Workers' compensation jurisdictional fee schedule adjustment.
- PRHT – The PPO reduction was taken in accordance to the PHS or leased entity contract.

Issues

1. What is DWC considering in this medical fee dispute?
2. Did the respondent support the charges involve an in network injured worker and in network provider?
3. What rule is applicable to reimbursement?
4. Has DWC determined whether additional reimbursement is due?

Findings

1. The requester seeks additional reimbursement for physical therapy services rendered in January of 2026 in the amount of $2,728.80. DWC will review the applicable fee guideline to determine if additional reimbursement is due to the requester.

2. The insurance carrier reduced payment of the disputed services stating a PPO reduction was warranted. Insufficient evidence was found to support the injured worker is enrolled in a certified health network or that the provider (PHW Southwest) is contracted with Prime Health Services. Therefore, the insurance carrier's reduction is not supported and will not be considered in this review.

3. The rule(s) that apply to the reimbursement of physical therapy is found in 28 TAC Section 134.203. 28 TAC Section 134.203(b)(1) which requires the application of Medicare payment policies applicable to professional services.

   The applicable Medicare payment policy is found at www.cms.gov, Medicare Claims Processing Manual, Chapter 5, Section 10.7 Multiple Procedure Payment Reductions for Outpatient Rehabilitation Services. *Medicare applies a multiple procedure payment reduction (MPPR) to the practice expense (PE) payment of select therapy services. The reduction applies to the HCPCS codes contained on the list of "always therapy" services (see section 20), excluding A/B MAC (B)-priced, bundled and add-on codes, regardless of the type of provider or supplier that furnishes the services. Medicare applies an MPPR to the PE payment when more than one unit or procedure is provided to the same patient on the same day, i.e., the MPPR applies to multiple units as well as multiple procedure*

   The MPPR Rate File that contains the payments for 2025 services is found at https://www.cms.gov/Medicare/Billing/TherapyServices/index.html.

   - MPPR rates are published by carrier and locality.
   - The services were provided in Houston, Texas.
   - The carrier code for Texas is 4412 and the locality code for Houston is 18.
   - The PE for code 97110 is 0.41. Not the highest receives MPPR reduction $22.41
   - The PE for code 97530 is 0.5. Highest, no MPPR reduction 1st unit $35.17 2nd unit $25.22.
   - The PE for code 97124 is 0.53. Not the highest receives MPPR reduction rate $21.03.

   DWC Rule 28 TAC Section 134.203 states in pertinent part, (c) To determine the Maximum Allowable
   Reimbursement (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…
   (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...

28 TAC 134.203(h) states, When there is no negotiated or contracted amount that complies with Labor Code §413.011, reimbursement shall be **the least of** the:
(1) MAR amount;
(2) health care provider's usual and customary charge, unless directed by Division rule to bill a specific amount;

(DWC Conversion Factor ÷ Medicare Conversion Factor) x Medicare Payment = MAR. In this instance,

- The 2026 DWC Conversion Factor 72.07
- The 2026 CMS Conversion Factor 33.4009
- 97110 – 72.07/33.4009 x $22.41 = $48.35 x 5 = $241.77. Requester billed $225.00. The lesser amount of $225 is the allowed amount. Carrier paid $180.00. Additional $45.00 due for each date of service.
- 97530 – 72.07/33.4009 x $35.17 = $75.89 (1st unit)
- 97530 – 72.07/33.4009 x $25.22 = $54.42 (2nd unit
- Total MAR 97530 = $130.31. Requester billed $112.00. The lesser amount of $112.00 is the allowed amount. Carrier paid $89.60. Additional $22.40 due for each date of service.
- 97124 – 72.07/33.4009 x $21.03 = $45.38. Requester billed $42.00. The lesser amount of $42.00 is the allowed amount. Carrier paid $33.60. Additional $8.40 due is due for each date of service.

4. Based on the information available at the time of this review, DWC finds the insurance carrier's reduction based on PPO is not supported. The health care provider billed less than the fee guideline for each code billed. Per the rule shown above the reimbursement is the lesser of the fee guideline or the provider's charge. The amount due is shown below.

    - 97110 - $225, billed amount. Carrier paid $180. Amount due $45.00 for dates of service from January 13 – 30, 2026 = $45.00 x 9 = $405.00
    - 97530 - $112, billed amount. Carrier paid $89.60. Amount due $22.40 for dates of service from January 13 – 30, 2026 = $22.40 x 9 = $201.60
    - 97124 - $42, billed amount. Carrier paid $33.60. Amount due $8.40 for dates of service from January 13 – 30, 2026 = $8.40 x 9 = $75.60

Total due to the requester ($405.00 + $201.60 + $75.60) = $682.20. This amount is 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 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 Pennsylvania Manufacturers Assoc must remit to PHW Southwest $682.20 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC Section 134.130.

Authorized Signature

		June 17, 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.