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

General Information

Requester Name

Gulf Coast Orthopedic and Hand Surgery

Respondent Name

Arch Indemnity Insurance Co

MFDR Tracking Number

M4-26-2597-01

Insurance Carrier's Austin Representative

BOX 19 Flahive Ogden & Latson

DWC Date Received

May 16, 2026

Summary of Findings

Date(s) of Service	Disputed Services	Amount in Dispute	Amount Due
February 14, 2026	26735	$3571.00	$0.00
February 14, 2026	26608	$2786.00	$0.00
March 5, 2026	20670	$2036.00	$0.00
	Total	$8393.00	$0.00

Requester's Position

"Gulf Coast Orthopedic and Hand Surgery, by and through its Medical Director, submits this formal appeal and position statement pursuant to 28 TAC §133.307(c)(2)(N) and Texas Labor Code §413.031, challenging the denial of the above-referenced bills on the sole basis of absence of preauthorization (Reason Code 197). For the reasons set forth below, preauthorization was not required for either bill, and payment at the applicable DWC Medical Fee Guideline rates is mandated. ...Because CPT 20670 in the office setting does not appear on the §134.600(p) preauthorization-required list, the carrier had no preauthorization requirement to enforce. Denial on the basis of Reason Code 197 is without legal or regulatory foundation."

Amount In Dispute: $8,393.00

Respondent's Position

02/14/2026. …Short of evidence to the contrary, it is the Respondent's position that preauthorization was required due to the length of time between the DOI and the surgical procedure; no documentation to support emergency conditions and a request for preauthorization AFTER services were rendered. 03/05/2026 – The Requestor/HCP is indicating that the POS (20) is an urgent care location and not a facility. However, please see the CMS1500 form attached for DOS 03/05/2026 – it indicates in box 32 that the location was the ASC -the same location were the surgery was performed. As such, rule 134.600 is applicable and preauthorization was required."

Response Submitted By: CorVel

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 133.2 sets out the definition of an emergency.
3. 28 TAC Section 134.600 sets out the guidelines for preauthorization, concurrent utilization review, and voluntary certification of health care.

Adjustment Reasons

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

- 197 – Payment adjusted for absence of precert/preauth.
- 18 – Duplicate Claim/Service.
- 197 – Payment adjusted for absence of precert/preauth.
- P12 – Workers' Compensation State Fee Schedule Adj.
- 234 – This procedure is not paid separately.
- R38 – Included in another billed procedure.

Issues

1. What is DWC considering in this medical fee dispute?

2. Are the denials presented on the explanation of benefits supported?

Findings

1. The requester is seeking reimbursement of code 26735 – Open treatment of phalangeal shaft fracture, proximal or middle phalanx, finger or thumb, includes internal fixation, when performed, each and 26608 – Percutaneous skeletal fixation of metacarpal fracture, each bone for date of service February 14, 2026 and code 20670 – Removal of implant; superficial (eg, buried wire, pin or rod) (separate procedure) for date of service March 5, 2026. The total amount in dispute is $8,393.00. The insurance carrier denied both dates of service for lack of prior authorization. DWC will review the submitted documentation to determine if prior authorization was required.

2. The rule applicable to prior authorization are.

    - 28 TAC Section 134.600 (p)(2) states, Non-emergency health care requiring preauthorization includes: outpatient surgical or ambulatory surgical services as defined in subsection (a) of this section.

    - 28 TAC Section 134.600(c) states, The insurance carrier is liable for all reasonable and necessary medical costs related to health care listed in subsection (p) or (q) on when: (A) an emergency occurs as defined in Chapter 133.

    - 28 TAC Section 133.2(5) defines emergency as a sudden onset of a medical condition with acute symptoms severe enough that immediate care is necessary to prevent:

        i. Serious jeopardy of the patient's health or bodily functions, or

        ii. Serious dysfunction of any body organ or part

    The requester submitted the following statement regarding the February 14, 2026 billed charges, "…The statutory definition of a medical emergency under TAC §133.2 is condition-based, not time-based. The elapsed time between injury is not a defined or permissible parameter for determining whether an emergency exists. The relevant inquiry is whether the condition, at the time treatment was rendered, met the statutory criteria – and here, it did."

    As seen above the DWC definition of emergency is, "**sudden onset of a medical condition**." The requester's position that elapsed time is not a defined or permissible parameter is not supported and will not be considered in this review.

    The requester submitted the following statement regarding the March 5, 2026 billed charges, "Because CPT 20670 in the office setting…" Review of the submitted medical bill indicates the place of service (POS) in box 24(B) is 20 – Urgent care facility.

The submitted NPI for the service facility location in box 32 is 1497480297. This NPI is listed as Occu-Health Surgery Center. The submitted medical bill does not support an office setting procedure but rather a service facility listed as a surgery center.

The insurance carrier's denial for lack of authorization is supported for the February 14, 2026 date of service as the definition of an emergency was not met. The denial for lack of authorization for the March 5, 2026 date of service is supported as the submitted medical bill indicates the services rendered at the Occuhealth Surgery Center. No payment 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 not established that 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

Signature	Medical Fee Dispute Resolution Officer	June 23, 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 electronico CompConnection@tdi.texas.gov.