Texas Department of Insurance
Division of Workers' Compensation
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General Information for Medical Fee Guidelines 28 T.A.C. §§134.2, 134.203, and 134.204

The Commissioner of Workers' Compensation, Texas Department of Insurance, adopted §§134.2, 134.203, and 134.204 concerning the Medical Fee Guidelines (MFGs) on December 28, 2007. These rules were published in the *Texas Register* on January 11, 2008. The preamble and text of the rule can also be found on the Texas Department of Insurance, Division of Workers' Compensation's website at (www.tdi.state.tx.us/wc/indexwc.html) under "Rules."

APPLICABILITY

The MFGs apply to professional medical services and workers' compensation specific codes, services and programs. That is, the adopted rules apply to health care other than prescription drugs, dental services, the facility services of a hospital or other health care facilities, and medical services provided through a workers' compensation health care network certified pursuant to Insurance Code 1305.

These adopted rules are applicable for dates of service provided on or after March 1, 2008.

§134.2. INCENTIVE PAYMENTS FOR WORKERS' COMPENSATION UNDERSERVED AREAS

This new rule is created to promote reasonable and timely access to medical care related to workers' compensation in underserved areas of Texas. A 10% incentive payment is paid to those health care providers listed in §134.203 and §134.204. These health care providers are identified by the ZIP Code where the service is provided.

§134.203. MEDICAL FEE GUIDELINE FOR PROFESSIONAL SERVICES

Coding & Billing

For medical services, the latest version of the American Medical Association's *Current Procedural Terminology* (AMA CPT) manual should be used. **For Durable Medical Equipment (DME)/supplies**, the latest version of the HCPCS Level II manual should be used.

Reimbursement

- For determination of a maximum allowable reimbursement amount (MAR), §134.203 *changes* the previous MFG reimbursement approach that used a fixed 125% of Medicare's conversion factor *to* $52.83 for calendar year 2008 for all professional service categories, with the exception of surgeries performed in a facility. This new rule adds a separate conversion factor of $66.32 for surgeries performed in a facility.
- The calendar year 2008 Division conversion factor and subsequent year's conversion factors are to be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and are to be effective January 1st of the new calendar year. The MEI is the weighted average of price changes for goods and services used to deliver physician services.
- The Division anticipates providing advance notice to system participants by posting on its website the subsequent year's conversion factors that are to be applied.

There are a number of ways to obtain the Medicare reimbursement amount, and the Division's Revised MFG Training Module will be provided by a future link, which will include examples of calculations.

1) **For reimbursement of medical services within CPT Code Categories**, the Texas Medicare Administrative Contractor, Trailblazer Health Enterprises, has a website (www.trailblazerhealth.com) that provides detailed Medicare reimbursement information per listed CPT Code that is free of charge.

2) **For reimbursement of durable medical equipment (DME) / supplies, and pathology services**, Medicare's 2008 National Physician Fee Schedule Relative Value File, DMEPOS Fee Schedule, and Laboratory Fee Schedule may be obtained free of charge from the Centers for Medicare and Medicaid (CMS) website: (www.cms.hhs.gov/PhysicianFeeSched/PFSRVF/list.asp); (www.cms.hhs.gov/DMEPOSFeeSched/) and (www.cms.hhs.gov/ClinicalLabFeeSched/). The DMEPOS and Laboratory Fee schedules contain reimbursement amounts. The National Physician Fee Schedule Relative Value File contains the RBRVS relative value units (RVUs) for CPT codes. Detailed calculations will need to be made to obtain the reimbursement amount for these services.

3) **For DME/supplies and Home Health Services not covered by Medicare**, Texas Medicaid's DME and Home Health fee schedules are to be used. These may be accessed at the following link: (http://www.tmhp.com/file%20library/default.aspx?RootFolder=%2fFile%20Library%2fFile%20Library%2fFee%20Schedules&View=%7bB77832C8%2d40B8%2d463F%2dB97F%2d1648B2B4522D%7d)

4) There are also a variety of commercially available publications relating to Medicare coding, billing, reporting, and reimbursement policies.

Payment Policies

Medicare payment policies may be obtained from the following sources:

1. CMS website.
2. Trailblazer website
3. National Correct Coding Initiatives. (http://www.cms.hhs.gov/NationalCorrectCodInitEd/)

§134.204 MEDICAL FEE GUIDELINE FOR WORKERS' COMPENSATION SPECIFIC SERVICES

This rule is a part of the new MFGs and provides coding, billing, and reporting instructions for workers' compensation specific services, which includes:

- Case management services that are the responsibility of the treating doctor
  - Identifies the codes, descriptions, modifiers, and reimbursement for case management services in the Texas workers' compensation system.
  - Retains the AMA 2007 CPT Codes for use in the Texas workers' compensation system. AMA's 2008 case management codes do not apply to this section.
  - Sets specific reimbursement for each of the five AMA 2007 CPT Codes to provide consistent reimbursement for case management services.
  - Creates a specific case management modifier to identify treating doctor requests for reimbursement.
- Functional capacity evaluations;

- Return to work rehabilitation programs (program requirement information is available from the Commission on Accreditation of Rehabilitation Facilities (CARF) at (www.carf.org)
    - Work conditioning/General Occupational Rehabilitation Programs
    - Work hardening/Comprehensive Occupational Rehabilitation Programs
    - Chronic pain management/Interdisciplinary Pain Rehabilitation Programs
    - Outpatient medical rehabilitation;
- Designated doctor examinations;
- Maximum medical improvement/impairment rating examinations;
- Return to work/evaluation of medical care examinations; and
- New workers' compensation-specific modifiers to be used by treating doctors when performing workers' compensation case management activities and to be used for designated doctor examinations.