



MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Type of Requestor: () Health Care Provider () Injured Employee () Insurance Carrier

Requestor's Name and Address:

Surgical and Diagnostic Center, LP
729 Bedford Euless Road West, Suite 100
Hurst, TX 76053

MDR Tracking No.: M4-05-0555-01

Claim No.:

Injured Employee's Name:

Respondent's Name and Address:

Royal Sun Alliance
C/o Cunningham Lindsey US
Box 11

Date of Injury:

Employer's Name: Coinmach Holdings LLC

Insurance Carrier's No.: 290065117100

PART II: REQUESTOR'S PRINCIPLE DOCUMENTATION AND POSITION SUMMARY

Our charges are fair and reasonable based on other insurance companies determination of fair and reasonable payments of 85% - 100% of our billed charges. Worker's Compensation carriers are subject to a duty of good faith and fair dealings in the process of workers' compensation claims. Claim was audited as "m"; requesting reimbursement for implants at cost plus 10%, invoice enclosed, and, for labs and diagnostic testing according to fee guidelines.

Principle Documentation: 1. Position Summary
2. Operative Report
3. Anesthesia Report

PART III: RESPONDENT'S PRINCIPLE DOCUMENTATION AND POSITION SUMMARY

Paid at fair and reasonable for geographical area. No principle documentation submitted.

PART IV: SUMMARY OF DISPUTE AND FINDINGS

Date(s) of Service	CPT Code(s) or Description	Part V Reference	Additional Amount Due (if any)
10/23/03	Ambulatory Surgical Center Care	1	\$3,215.00

PART V: MEDICAL DISPUTE RESOLUTION REVIEW SUMMARY, METHODOLOGY, AND/OR EXPLANATION

1. This dispute relates to services provided in an Ambulatory Surgical Center that are not covered under a medical fee guideline for the date of service. Accordingly, the reimbursement determined through the dispute resolution process must reflect a fair and reasonable rate as directed by Commission Rule 134.1. The case involves a factual dispute about what is fair and reasonable reimbursement for the services provided.

During the rule development process for facility guidelines, the Commission contracted with Ingenix, a professional firm specializing in actuarial and health care information services, in order to secure data and information on reimbursement ranges for these types of services. The outcome of an analysis of the data supplied resulted in a recommended range for reimbursement of the workers' compensation services provided in ASC facilities. In addition, during recent rule revisions, the Commission received information from both ASCs and insurance carriers. While not controlling, the Commission considered this information in order to find data related to commercial market payments for these services. This information provides a benchmark for determining the 'fair and reasonable' reimbursement amount for the services in dispute.

To determine the amount due for this particular dispute, staff compared the procedures in this case to the amounts that would be within the reimbursement range recommended by the Ingenix study (from 192.6% to 256.3% of Medicare for the year 2003). Based on this review, the original reimbursement on these services is within the higher end of the Ingenix range. Staff considered the other information submitted by the parties and the issues related to the specific procedure performed in this dispute. In addition, the reimbursement for the secondary procedures, were reduced by 50% consistent with standard reimbursement approaches. Also, according to NCCI edits procedure code 81.83 is a component of procedure code 83.63 unless listed with a modifier. In this case the modifier was not used so that procedure is not separately payable. Furthermore, according to the CMS ASC guidelines, lab fees and diagnostic or therapeutic services are included in the facility fees and not separately payable. Implantables are reimbursed at cost plus 10%. The requestor submitted the invoice in the amount of \$2,190,900 and requested \$2,183.28; therefore, \$2,183.28 is recommended.

The total amount was then presented to a staff team with health care provider billing and insurance adjusting experience. The team considered the recommended amount, discussed the facts of the individual case, and selected the appropriate "fair and reasonable" amount to be ordered in the final decision.

Based on the facts of this situation, the parties' positions, the Ingenix range for applicable procedures, and the consensus of other experienced staff members in Medical Review, we find that the fair and reasonable reimbursement amount for these services is \$5,451.11. Since the insurance carrier previously paid a total of \$2,236.00 for these services, the health care provider is entitled to an additional reimbursement in the amount of \$3,215.11.

28 Texas Administrative Code Sec. 134.1 and 133.307

PART VII: DIVISION DECISION AND ORDER

Based upon the review of the disputed healthcare services, the Medical Review Division has determined that the requestor is entitled to additional reimbursement in the amount of \$3,215.11. The Division hereby **ORDERS** the insurance carrier to remit this amount plus all accrued interest due at the time of payment to the Requestor within 20-days of receipt of this Order.

Ordered by:

Marguerite Foster

September 22, 2005

Authorized Signature

Typed Name

Date of Order

PART VIII: YOUR RIGHT TO REQUEST JUDICIAL REVIEW

Appeals of medical dispute resolution decisions and orders are procedurally made directly to a district court in Travis County [see Texas Labor Code, Sec. 413.031(k), as amended and effective Sept. 1, 2005]. An appeal to District Court must be filed not later than 30 days after the date on which the decision that is the subject of the appeal is final and appealable. The Division is not considered a party to the appeal.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.