



Texas Department of Insurance

Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Provider Services of America

Respondent Name

Texas Mutual Insurance Company

MFDR Tracking Number

M4-14-3627-01

Carrier's Austin Representative

Box Number 54

MFDR Date Received

August 11, 2014

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The nature of this dispute is to justify the service rendered by **Dr. Padmaja Yatham at Advanced Interventional Pain Clinic** to claimant ... Compound topical medications are an effective alternative to commonly prescribed, commercially available pain relief medications and treatments. The multitude of benefits associated with topical medication provide patients with fewer adverse effects such as mental incapacity, renal and gastric agitations, and administration (swallowing) difficulties which are daily conditions of current treatments. Medication is absorbed through the skin directly at the origin of pain. Localizing delivery to the pain receptors avoid the gastrointestinal (GI) tract, minimizing system absorption of medication during digestion, and reduces multiple drug interactions.

During the evaluation of [the claimant] it was determined the included compound formula as proper treatment for their condition. Compounding grants the ability to tailor patient specific medication to adhere to their individual needs. This formulation is non-addictive which diminishes concerns for possible misuse. Patient adherence and compliance is increased with the elimination of a pharmacy visit and medication consultation being provided at the place of care by the prescribing physician. The goal of all physicians is to ensure patients have the most effective treatment with minimal impact to their daily lives. There are currently no available treatments that provide similar benefits to the quality of life of chronic pain suffering as described above; therefore this medication was prescribed on **2/24/2014**.

As expressed through inquiry with Texas Mutual Insurance Company, original denial of claims was on the basis that, under Texas law, Physicians are prohibited from dispensing compound medications from within their office. After review conducted by Silvia Contreras at Texas Mutual Insurance, as referred by the adjustor, it was concluded that the Florida's allowance of Physicians to dispense in-office as specified in the provisions outlined in **FL Board of Pharmacy Regulations BReg 64B16-27.700**. Advanced Interventional pain clinic is permitted to dispense as a Non-Pharmacy Dispensing site as accredited by the National Council for Prescription Drug Programs and regulated under the professional standards under USP 795 for Pharmaceutical Compounding – Nonsterile Preparations.

According to the Florida State Workers Compensation Manual dispensed medications are reimbursed at the manufacturers Average Whole Price. Determination of medication cost is 100% of Average Wholesale price (AWP) as specified by the RED BOOK pricing data for the state of Florida. The line item 1-6 of the HCFA form is a detailed description per line of the medication, charge per/g (AWP) per unit (total weight in g) and total per medication with total charge indicated in box 28. It is understood that reductions may be made as determined by states fee schedule."

Amount in Dispute: \$5498.75

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The following is the carrier's statement with respect to this dispute of 2/21/14 through 5/14/14. The requestor billed code 99070 for compounded medications on 2/21/14, 3/19/14, 4/16/14, and 5/14/14. This code has a permanent 'B' status under Medicare and is not separately payable."

Response Submitted by: Texas Mutual Insurance Company

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
February 21 – May 14, 2014	Compounded topic medication	\$5498.75	\$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
- 28 Texas Administrative Code §134.203 sets out the fee guidelines for billing and reimbursing professional medical services.
- The services in dispute were reduced/denied by the respondent with the following reason codes:
 - CAC-16 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.
 - CAC-97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
 - 284 – No allowance was recommended as this procedure has a Medicare status of "B" (bundled).
 - 874 – Documentation does not support use of the medication in topical form.
 - CAC-W1 – Workers Compensation State Fee Schedule Adjustment.
 - 872 – Rule 134.502 requires compound drugs be billed by listing each drug included and calculating the charge for each drug separately.
 - 854 – Documentation does not support the initial use of the medication for this patient
 - CAC-193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
 - 891 – No additional payment after reconsideration

Issues

- Under what authority is the request for medical fee dispute resolution considered?
- Are the CPT Codes for the disputed services payable under 28 Texas Administrative Code §134.203?
- Is the requestor entitled to reimbursement?

Findings

- The requestor is a health care provider that rendered disputed services in the state of Florida to an injured employee with an existing Texas Workers' Compensation claim. The health care provider was dissatisfied with the insurance carrier's final action. The health care provider requested reconsideration from the insurance carrier and was denied payment after reconsideration. The health care provider has requested medical fee dispute resolution under 28 Texas Administrative Code §133.307. Because the requestor has sought the administrative remedy outlined in 28 Texas Administrative Code §133.307 for resolution of the matter of the request for additional payment, the Division concludes that it has jurisdiction to decide the issues in this dispute pursuant to the Texas Workers' Compensation Act and applicable rules.
- The insurance carrier denied the disputed charges stating, "No allowance was recommended as this procedure has a Medicare status of "B" (bundled)." 28 Texas Administrative Code §134.203(b)(1) states, in pertinent part, "for coding, billing reporting, and reimbursement of professional medical services, Texas Workers' Compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; ... and other payment policies in effect on the date a service is provided..." Review of the submitted documentation finds that the requestor billed for the disputed services using CPT Code 99070. Medicare gives this code a status of "B" (Bundled). Bundled codes

indicate that "payment for covered services are always bundled into payment for other services not specified." Therefore, CPT Code 99070 is not payable under 28 Texas Administrative Code §134.203.

3. Because the billed CPT Codes for the disputed services are not payable, the requestor is not entitled to reimbursement.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 reimbursement for the disputed services.

Authorized Signature

_____	<u>Laurie Garnes</u>	<u>February 26, 2015</u>
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 in accordance with 28 Texas Administrative Code §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012.**

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

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