



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

American Specialty Pharmacy

Respondent Name

Paccar, Inc.

MFDR Tracking Number

M4-15-3015-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

May 15, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "...this treatment is necessary to achieve a therapeutic outcome ...

This medication is necessary for decreased scar lesion, pain, and scar management therapy due to surgery. This medication will allow reduced usage of other treatments and medications needed for this injured patient."

Amount in Dispute: \$7830.06

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Provider failed to get preauthorization. In addition, per PLN-11 dated 12/2/13, there is a pending extent of injury/causation dispute."

Response Submitted by: Flahive, Ogden & Latson

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Row 1: December 15, 2014, Prescription Medication (Compound Cream), \$7830.06, \$0.00

FINDINGS AND DECISION

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

Background

- 1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.540 sets out the guidelines for use of the closed formulary for claims subject to certified networks.
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
- 197 - Payment denied/reduced for absence of precertification/authorization.
- OA - The amount adjusted is due to bundling or unbundling of services.

Issues

1. Does an unresolved extent of injury issue exist for this dispute?
2. Is the insurance carrier’s reason for denial of payment supported?

Findings

1. The insurance carrier states in their position statement that there is “a pending extent of injury/causation dispute” for the services in question. 28 Texas Administrative Code §133.307 (d)(2)(F) states, in relevant part, “The response shall address only those denial reasons presented to the requestor prior to the date the request for MFDR was filed with the division and the other party. Any new denial reasons or defenses raised shall not be considered in the review...” Review of the submitted documentation finds that extent of injury was not included in the denial reasons presented to the requestor prior to the date of the request for MFDR. Therefore, the Division finds that no unresolved extent of injury issue exists for this dispute.
2. The insurance carrier denied disputed services with claim adjustment reason code “197 – Payment denied/reduced for absence of precertification/authorization.” 28 Texas Administrative Code §134.540 (b) states, in relevant part, “Preauthorization for claims subject to the Division's closed formulary. Preauthorization is only required for: ... (2) any compound that contains a drug identified with a status of ‘N’ in the current edition of the *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary*, and any updates.” Review of the submitted documentation finds that the dispute involves a compound drug that includes the ingredients Fluticasone, Levocetirizine, Lidocaine, Pentoxifylline, Gabapentin, Propylene Glycol, and Pracasil Plus. The *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary* in effect on the date of service finds that Lidocaine is an “N” status drug. Therefore, the compound requires preauthorization.

28 Texas Administrative Code §134.540 (e)(1) states, “For situations in which the prescribing doctor determines and documents that a drug excluded from the closed formulary is necessary to treat an injured employee's compensable injury and has prescribed the drug, the prescribing doctor, other requestor, or injured employee must request approval of the drug in a specific instance by requesting preauthorization in accordance with the certified network's preauthorization process established pursuant to Chapter 10, Subchapter F of this title (relating to Utilization Review and Retrospective Review) and applicable provisions of Chapter 19 of this title (relating to Agents' Licensing).” Review of the submitted documentation does not indicate that a preauthorization was requested or obtained. The insurance carrier’s denial reason is supported. Additional reimbursement cannot be recommended.

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

Signature

Laurie Garnes
Medical Fee Dispute Resolution Officer

June 18, 2015
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, 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 MFDR 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.