



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645

(512) 804-4000 | F: (512) 804-4811 | (800) 252-7031 | TDI.texas.gov | @TexasTDI

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Memorial Compounding Pharmacy

Respondent Name

XL Specialty Insurance Co

MFDR Tracking Number

M4-16-0663-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

November 12, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Memorial Compounding Pharmacy's bills are not being processed in accordance to Texas Guideline Rule 133.240 Medical Payments and Denials."

Amount in Dispute: \$8,530.62

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "We are in receipt of the above captioned medical fee dispute resolution. The carrier has reconsidered the bills for the above mentioned dates of service and is processing them for payment."

Response Submitted by: Broadspire, P.O. Box 14351, Lexington, KY 40512-4351

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
November 16, 2014 through July 28, 2015	Pharmacy Services	\$8,530.62	\$8,530.62

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 §134.503 sets out the reimbursement guidelines for pharmacy services.
3. Neither party submitted an explanation of benefits for the services in dispute.

Issues

1. What is the applicable rule that pertains to reimbursement?
2. Is the requestor entitled to additional reimbursement?

Findings

1. The dates of service in dispute are related to pharmacy services. 28 Texas Administrative Code §134.503(c) states,

The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:

(1) the fee established by the following formulas based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed:

(A) Generic drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount;

(B) Brand name drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.09) + \4.00 dispensing fee per prescription = reimbursement amount;

(C) When compounding, a single compounding fee of \$15 per prescription shall be added to the calculated total for either paragraph (1)(A) or (B) of this subsection;

Date of Service	Name of medication	Reported Units	Amount billed	MAR (AWP per unit) x (number of units) x 1.25 + \$4.00
November 16, 2014	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
November 27, 2014	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
December 30, 2014	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
January 14, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
January 30, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
February 16, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
February 28, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
March 15, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
March 29, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
April 14, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
April 29, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
May 14, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
May 29, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
July 28, 2015	Baclofen Powder	60	\$609.33	$\$35.63000 \times 60 \times 1.25 + \$4.00 = \$2,676.25$
		Total	\$8,530.62	\$37,467.50

2. The total allowed amount for the services in dispute is \$37,467.50. This amount is calculated based on NDC number found in box 21 of DWC066 for "Baclofen Powder" with a package description of "Jar" and the number of units found in box 23 of DWC066 of "60". The requestor is seeking \$8,530.62. This amount is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$8,530.62.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$8,530.62 plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this Order.

Authorized Signature

Signature	Medical Fee Dispute Resolution Officer	February 24, 2016 Date
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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.