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
Memorial Compounding Pharmacy

Respondent Name
Hartford Underwriters Insurance Company

MFDR Tracking Number
M4-18-0581-01

Carrier's Austin Representative
Box Number 47

MFDR Date Received
November 3, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The original bill was submitted to carrier on 05/16/2017 … Memorial did not receive any correspondence as per rule so we submitted a Request for Reconsideration … As of today, we still haven't received any correspondences."

Amount in Dispute: $811.74

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Payments issued totaling in the amount of $567.16 on 05/27/17."

Response Submitted by: The Harford

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
May 9, 2017	Pharmacy Services – Compound	$811.74	$762.51

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 §133.240 sets out the procedure for medical bill processing by the workers' compensation insurance carrier.
3. 28 Texas Administrative Code §134.503 sets out the reimbursement for pharmacy services.
4. No explanation of benefits for the services in question were found in the submitted documentation.

Issues

1. Did Hartford Underwriters Insurance Company (Hartford) pay, reduce or deny the disputed services not later than the 45th day after receiving the medical bill?
2. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for the disputed services?

Findings

This medical fee dispute was filed by Memorial on November 3, 2017. Memorial, on its table of disputed services, asserts that it was not paid by Hartford for the drugs it dispensed to a covered injured employee on May 9, 2017.

1. Memorial contends that it "did not receive any correspondence" from Hartford regarding the billing for the services in question.

   According to Texas Labor Code Sec. 408.027(b) Hartford was required to pay, reduce or deny the disputed services not later than the 45th day after it received the medical bill from Memorial. Corresponding 28 Texas Administrative Code §133.240 also required Hartford to take final action by issuing an explanation of benefits not later than the statutorily-required 45th day.

   A fax transmission report submitted by Memorial supports that Hartford initially received the medical bill for the services in dispute on May 16, 2017.

   Although there is evidence that Hartford received a medical bill for the service in dispute on May 16, 2017, Hartford failed to timely take the following actions:

   > Rule §133.240 (a) An insurance carrier **shall take final action** [emphasis added] after conducting bill review on a complete medical bill…**not later than the 45th day** [emphasis added] after the insurance carrier received a complete medical bill."
   >
   > Rule §133.240 (e) The insurance carrier **shall send the explanation of benefits** in accordance with the elements required by §133.500 and §133.501 of this title…The explanation of benefits shall be sent to:
   > (1) the health care provider when the insurance carrier makes payment or denies payment on a medical bill…

   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 Hartford failed to present a denial of payment to Sentrix in accordance with 28 Texas Administrative Code §133.240 prior to the date the request for medical fee dispute resolution (MFDR) was filed. The division concludes that any defenses presented in Hartford's position statement shall not be considered for review because these assertions constitute new defenses pursuant to 28 Texas Administrative Code §133.307(d)(2)(F).

2. Rule at 28 Texas Administrative Code §134.503 applies to the compound in dispute and states, in pertinent part:

   (a) 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: ((AWP per unit) x (number of units) x 1.25) + $4.00 dispensing fee per prescription = reimbursement amount;

(B) Brand name drugs: ((AWP per unit) x (number of units) x 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; or

(2) notwithstanding §133.20(e)(1) of this title (relating to Medical Bill Submission by Health Care Provider), the amount billed to the insurance carrier by the:
(A) health care provider; or
(B) pharmacy processing agent only if the health care provider has not previously billed the insurance carrier for the prescription drug and the pharmacy processing agent is billing on behalf of the health care provider.

Each drug in question is listed below with its corresponding reimbursement amount as applicable.

Ingredient	NDC & Type	Price/ Unit	Units	AWP Formula §134.503(a)(1)	Billed Amount §134.503(a)(2)	Lesser of (a)(1) and (a)(2)
Acetaminophen/ codeine tablets	00093015010 Generic	$0.28435	60	$25.33	$74.56	$25.33
Lyrica 75 mg capsule	00071101468 Brand Name	$7.552	90	$744.85	$737.18	$737.18
					Total	$762.51

The total reimbursement is therefore $762.51. Hartford contends that it reimbursed payments totaling $567.16. No documentation was received supporting a payment for the drugs in question. Therefore a reimbursement of $761.51 is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that reimbursement is due. As a result, the amount ordered is $762.51.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Sec. 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services in dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of $762.51, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

	Laurie Garnes	December 21, 2017
Signature	Director for Medical Fee Dispute Resolution	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.