



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

Indemnity Insurance Company of North America

MFDR Tracking Number

M4-18-1212-01

Carrier's Austin Representative

Box Number 15

MFDR Date Received

December 27, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "... Memorial Compounding Pharmacy has met the requirements to receive reimbursement."

Amount in Dispute: \$476.03

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Upon receipt of the MDR request, the bill was sent back for reconsideration. Payment in the amount of \$185.69 has been recommended."

Response Submitted by: ESIS

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
June 29, 2017	Meloxicam 15 mg Tablets	\$202.85	\$0.00
June 29, 2017	Hydrocodone/APAP 10/325 Tablets	\$127.77	\$91.84
June 29, 2017	Tizanidine HCl 4 mg Tablets	\$145.41	\$113.89
Total		\$476.03	\$205.73

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 §124.3 sets out the requirements for notices of denial or dispute related to a claim.
3. 28 Texas Administrative Code §133.240 sets out the procedures for payment or denial of medical bills.
4. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.

5. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - W-12 – Charge unrelated to the compensable injury
 - 148 – This procedure on this date was previously reviewed
 - 18 – Duplicate claim/service.
 - 219 – Based on extent of injury

Issues

1. Did the insurance carrier maintain its denial of Meloxicam 15 mg tablets?
2. Is the dispute subject to dismissal based on relatedness or extent of injury?
3. Is the requestor entitled to additional reimbursement for the services in question?

Findings

1. Memorial Compounding Pharmacy (Memorial) is seeking \$202.85 for Meloxicam 15 mg tablets dispensed on June 29, 2017. Review of the submitted documentation finds that the insurance carrier did not maintain its denial of Meloxicam 15 mg tablets.

The carrier reduced the billed amount to a total payment of \$185.69, citing the workers' compensation fee schedule as its reason for the reduction. 28 TAC §134.503(c) applies and states, in pertinent part, that the insurance carrier shall reimburse the lesser of: (1) the fee established by the Division's applicable formula 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; or (2) the amount billed to the insurance carrier.

Memorial has the burden to support its requested amount. In its position statement, Memorial did not demonstrate how it arrived at the requested amount or whether that amount is consistent with the methodology under 28 TAC §134.503(c). After notification by the division's medical fee dispute resolution program of the carrier's response and payment, Memorial did not take the opportunity to refute the carrier's payment calculation. For that reason, no additional reimbursement can be recommended.

2. Memorial is also seeking reimbursement for Hydrocodone/APAP 10/325 tablets and Tizanidine HCl 4 mg tablets dispensed on June 29, 2017. The insurance carrier denied reimbursement for the drugs in question with claim adjustment reason code W-12 – "CHARGE UNRELATED TO THE COMPENSABLE INJURY," and 219 – "Based on extent of injury."

28 TAC §124.3(e) requires the insurance carrier to submit a notice of dispute of extent of injury (PLN) not later than (1) the date the carrier denied the medical bill, or (2) the due date for the carrier to pay or deny the medical bill. As of the date of this decision, the division has not received documentation (PLN) to support the insurance carrier's denial of payment for this reason. Therefore, the division finds that the dispute of payment for the drugs in question is not subject to dismissal for relatedness or extent of injury.

3. Because the insurance carrier failed to support its denial of payment, Hydrocodone/APAP 10/325 tablets and Tizanidine HCl 4 mg tablets as presented in this dispute are eligible for reimbursement as follows:

28 TAC §134.503 states, in pertinent part:

- (c) 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; 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.

The division finds that the reimbursement for the disputed drugs is calculated as follows:

- Hydrocodone/APAP 10/325 tablets: $(0.78082 \times 90 \times 1.25) + \$4.00 = \$91.84$
- Tizanidine HCl 4 mg tablets: $(1.46524 \times 60 \times 1.25) + \$4.00 = \$113.89$

The total allowable reimbursement amount is \$205.73. 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 \$205.73.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the division has determined the requestor is entitled to additional reimbursement for the disputed services. The division hereby ORDERS the respondent to remit to the requestor \$205.73, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

Signature	Laurie Garnes Medical Fee Dispute Resolution Officer	May 14, 2018 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 Rule §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 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. **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.