



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

TASB Risk Management Fund

MFDR Tracking Number

M4-18-3116-01

Carrier's Austin Representative

Box Number 47

MFDR Date Received

April 27, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The above claimant received medication as prescribed by referral provider."

Amount in Dispute: \$429.96

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The carrier requested documentation to support the need for the powder form of the drug Baclofen instead of the pill form ... No letter of medical necessity or other supporting documentation has been submitted as requested."

Response Submitted by: TASB Risk Management Fund

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Row 1: August 18, 2017, Baclofen 100%, \$429.96, \$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 §133.210 sets out the documentation requirements for bill submission.
3. 28 Texas Administrative Code §133.240 sets out the procedures for approval, reduction, or denial of a medical bill.
4. 28 Texas Administrative Code §134.502 sets out the procedures for pharmaceutical benefits.
5. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
- 150 – Payment adjusted because the payer deems the information submitted does not support this level of service.

- 18 – Exact duplicate claim/service.
- Notes: “Blocked by Helios/Optum”
- Notes: “Need Letter of Medical Necessity for powder form versus pill form”

Issues

1. Did the insurance carrier raise new issues in accordance with 28 Texas Administrative Code §133.307?
2. Are the insurance carrier’s reasons for denial or reduction of payment supported?
3. Is the requestor entitled to reimbursement for the compound in question?

Findings

1. In its position statement, TASB Risk Management Fund (TASB) argued that a “peer review ... indicated that current treatment and medications are not related to the compensable injury ... TASB-RMF considers any treatment that is not specifically cited, discussed, and approved in the current version of ODG, or is not FDA approved for the specific condition being treated, as being investigational or experimental.”

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 TASB failed to present denial reasons related to compensability or investigational/experimental status to Memorial Compounding Pharmacy (Memorial) 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 these defenses presented in TASB’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. TASB denied this service with claim adjustment reason code 150 – “Payment adjusted because the payer deems the information submitted does not support this level of service,” and made the additional notation, “Need Letter of Medical Necessity for powder form versus pill form.”

Documentation requirements for medical bills are established by 28 Texas Administrative Code §133.210, which does not require documentation to be submitted with the bill for the disputed compound. The process for a carrier’s request for documentation not otherwise required by 28 Texas Administrative Code §133.210 is described in Subsection (d) as follows:

Any request by the insurance carrier for additional documentation to process a medical bill shall:

- (1) be in writing;
- (2) be specific to the bill or the bill's related episode of care;
- (3) describe with specificity the clinical and other information to be included in the response;
- (4) be relevant and necessary for the resolution of the bill;
- (5) be for information that is contained in or in the process of being incorporated into the injured employee's medical or billing record maintained by the health care provider;
- (6) indicate the specific reason for which the insurance carrier is requesting the information; and
- (7) include a copy of the medical bill for which the insurance carrier is requesting the additional documentation.

Further, 28 Texas Administrative Code §134.502(e) states that a request for a letter of medical necessity from the prescribing physician is to be submitted to the billing party when the request is made. This request is only permitted only “the insurance carrier could reasonably support a denial based upon extent of, or relatedness to the compensable injury, or based upon an adverse determination” without the letter of medical necessity.

No documentation was found to support that the carrier made an appropriate request for additional documentation in the manner required by 28 Texas Administrative Code §133.210 or a letter of medical

necessity in accordance with 28 Texas Administrative Code §134.502. The division concludes that TASB failed to support its denial reason.

- 3. Memorial is seeking reimbursement for Baclofen 100% dispensed on August 18, 2017. Documentation presented to the division by Memorial indicates that the billed charges constitute a compound drug. 28 Texas Administrative Code §134.502(d)(2) requires compounds to “be billed by listing each drug included in the compound and calculating the charge for each drug separately.”

The submitted documentation does not support that Memorial listed each drug in the disputed compound, calculating the charge for each drug separately. Therefore, the division concludes that Memorial is not eligible for reimbursement of the compound in question.

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 on the submitted information, pursuant to Texas Labor Code Section 413.031, the division hereby determines the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature

Signature

Laurie Garnes
Medical Fee Dispute Resolution Officer

June 21, 2018
Date

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.