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
Texas Mutual Insurance Company

MFDR Tracking Number
M4-19-0038-01

Carrier's Austin Representative
Box Number 54

MFDR Date Received
September 4, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "**After reviewing the explanation of benefits, it indicates that carrier paid $0.00 and not the full amount of $555.68.** This claim should be processed with the full amount billed as per **Administrative Labor Code 134.503(c).**"

Amount in Dispute: $555.68

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The requester listed five different medications in powder form on its bill. Compound powders typically require an agent such as ethoxy diglycol to deliver the compound medication to the skin surface for absorption. Texas Mutual declined to issue payment absent billing for such an agent as required by Rule 134.502."

Response Submitted by: Texas Mutual Insurance Company

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
December 12, 2017	Compound Medication	$555.68	$555.68

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 §133.210 sets out the documentation requirements for bill submission.
2. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
3. 28 Texas Administrative Code §134.502 sets out the billing requirements for pharmaceutical services.
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:
   - CAC-16 – Claim/service lacks information or has submission/billing error(s) which is needed for adjudication.
   - CAC-45 – Charge exceeds fee schedule/maximum allowable or contracted/legislated fee arrangement.
   - 784 – Service exceeds recommendations of treatment guidelines (ODG)
   - Documentation does not support use of the medication in topical form.

Issues

1. Is Texas Mutual Insurance Company's denial of payment based on submission or billing errors supported?
2. Is Texas Mutual Insurance Company's denial of payment based on insufficient documentation supported?
3. Is Texas Mutual Insurance Company's reason for denial of payment based on treatment guidelines supported?
4. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for the disputed compound?

Findings

1. Memorial is seeking reimbursement for a compound medication dispensed on December 12, 2017. Texas Mutual Insurance Company denied the compound, in part, based on "submission/billing error(s)." Review of the submitted pharmacy bills finds no submission or billing errors.[1] The insurance carrier failed to support this denial in its position statement.

2. Texas Mutual Insurance Company also denied the disputed compound based on insufficient documentation. Documentation requirements for medical bills are established by 28 Texas Administrative Code §133.210, which does not require documentation to be submitted with pharmaceutical services.

   When documentation is not required, an insurance carrier may request additional documentation to process a medical bill. To request additional documentation, the insurance carrier is required to submit the request to the health care provider and shall:

   - be in writing;
   - be specific to the bill or the bill's related episode of care;
   - describe with specificity the clinical and other information to be included in the response;
   - be relevant and necessary for the resolution of the bill;
   - 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;
   - indicate the specific reason for which the insurance carrier is requesting the information; and
   - include a copy of the medical bill for which the insurance carrier is requesting the additional documentation.[2]

   No documentation was found to support that Texas Mutual Insurance Company made an appropriate request for additional documentation with the require specificity. Therefore, Texas Mutual Insurance Company's denial for this reason is not supported.

3. Texas Mutual Insurance Company also denied the disputed compound stating, ""SERVICE EXCEEDS RECOMMENDATIONS OF TREATMENT GUIDELINES (ODG)." Prescription drugs that exceed the treatment guidelines may be prescribed and dispensed without preauthorization.[3]

   When a prescription is dispensed without preauthorization, it is subject to retrospective review.[4] No evidence was found that Texas Mutual Insurance Company performed a retrospective review on the compound in question. The denial for this reason is not supported.

[1] 28 Texas Administrative Code §133.10(f)(3)
[2] 28 Texas Administrative Code §133.210(d)
[3] 28 Texas Administrative Code §134.530(d)(2)
[4] 28 Texas Administrative Code §134.530(d)(3)

4. Because the insurance carrier failed to sufficiently support its denial of reimbursement, Memorial is entitled to reimbursement.

   The compound in dispute was billed by listing each **drug** included in the compound and calculating the charge for each drug separately.[5] Each ingredient is listed below with its reimbursement amount.[6] The calculation of the total allowable amount is as follows:

Drug	NDC	Generic(G) /Brand(B)	Price /Unit	Units Billed	AWP Formula	Billed Amt	Lesser of AWP and Billed
Baclofen	38779038809	G	$35.63	5.4	$240.50	$190.78	$190.78
Amantadine	38779041105	G	$24.23	3	$90.84	$72.69	$72.69
Gabapentin	38779246109	G	$59.85	3.6	$269.33	$204.66	$204.66
Bupivacaine	38779052405	G	$45.60	1.2	$68.40	$54.72	$54.72
Amitriptyline	38779018904	G	$18.24	1.8	$41.04	$32.83	$32.83
						Total	$555.68

   The total reimbursement is therefore $555.68. This amount is recommended.

Conclusion

For the reasons stated above, the DWC finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is $555.68.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031 and 413.019 (if applicable), the DWC has determined the requestor is entitled to additional reimbursement for the disputed services.
The DWC hereby ORDERS the respondent to remit to the requestor $555.68, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

Authorized Signature

	Laurie Garnes	August 26, 2019
Signature	Medical Fee Dispute Resolution Officer	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 DWC within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the DWC 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.

[5] 28 Texas Administrative Code §134.502(d)(2)
[6] 28 Texas Administrative Code §134.503(c)