

Medical Fee Dispute Resolution Findings and Decision

General Information

Requestor Name

Memorial Compounding Rx

Respondent Name

Federal Insurance Co.

MFDR Tracking Number

M4-19-0197-01

Carrier's Austin Representative

Box Number 17

DWC Date Received

September 17, 2018

Summary of Findings

Dates of Service	Disputed Services	Amount in Dispute	Amount Due
March 26, 2018	Pharmaceutical Compound	\$726.32	\$587.69

Requestor's Position

"These medications do not require preauthorization therefore do not need a retrospective review."

Amount in Dispute: \$726.32

Respondent's Position

"In review of the medical billing for date of service 03/26/18 and related evidence it was determined the charges in disputer were appropriately denied with claim adjustment reason code (50: Services not Deemed 'Medically Necessary' by payer) based on retrospective utilization review conducted by Sankar Pemmaraju, D.O."

Response Submitted by: CorVel

Findings and Decision

Authority

This medical fee dispute is decided according to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation (DWC).

Statutes and Rules

1. 28 Texas Administrative Code §134.240 sets out the procedures for payment or denial of a medical bill.
2. 28 TAC §133.307 sets out the procedures for resolving medical fee disputes.
3. 28 TAC §134.503 sets out the fee guidelines for pharmaceutical services.
4. 28 TAC, Chapter 19 sets out the requirements for utilization review.

Denial Reasons

The insurance carrier denied the payment for the disputed services with the following claim adjustment codes:

- 50 – Service not Deemed 'Medically Necessary' by payer
- Notes: "These services have been retrospectively reviewed. Services that do not require preauthorization are subject to review for medical necessity in accordance with §133.230 of this title."

Issues

1. Is this dispute subject to dismissal based on medical necessity?
2. Is Memorial Compounding Rx (Memorial) entitled to reimbursement for the compound in question?

Findings

1. Memorial is seeking reimbursement for a compound drug dispensed March 26, 2018. The compound was composed of
 - Gabapentin
 - Amitriptyline HCl
 - Amantadine HCl
 - Flurbiprofen
 - Bupivacaine HCl
 - Ethoxy Diglycol
 - Versapro Cream

Federal Insurance Co. denied payment based on medical necessity.

The insurance carrier is required by 28 TAC §133.307 (d)(I) to submit documentation that supports an adverse determination for the disputed service. CorVel submitted a utilization review report on behalf of the insurance carrier dated May 11, 2018. This document was not for the compound drug as listed in this dispute.

No evidence was presented to support the insurance carrier's denial of payment based on medical necessity. DWC finds that this dispute is not subject to dismissal based on medical necessity.

2. 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 as required by 28 TAC §134.502(d)(2). Each ingredient is listed below with its reimbursement amount, calculated according to 28 TAC §134.503(c). 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
Gabapentin	38779246109	G	\$59.85	3	\$224.44	\$179.55	\$179.55
Amitriptyline HCl	38779018904	G	\$18.24	2.4	\$54.72	\$43.78	\$43.78
Amantadine HCl	38779041105	G	\$24.23	4.8	\$145.38	\$116.30	\$116.30
Flurbiprofen	38779036209	G	\$36.58	4.8	\$219.48	\$175.58	\$175.58
Bupivacaine HCl	38779052405	G	\$45.60	1.2	\$68.40	\$54.72	\$54.72
Ethoxy Diglycol	38779190301	G	\$0.34	3.6	\$1.53	\$140.16	\$1.53
Versapro Cream	38779252903	B	\$3.20	43.8	\$152.77	\$1.23	\$1.23
Fee	NA	NA	NA	NA	\$15.00	\$15.00	\$15.00
						Total	\$587.69

The total reimbursement is therefore \$587.69. This amount is recommended.

Conclusion

The outcome of this medical fee dispute is based on the evidence presented by the requestor and the respondent at the time of adjudication. Though all evidence may not have been discussed, it was considered.

DWC finds the requester has established that additional reimbursement of \$587.69 is due.

Order

Under Texas Labor Code §§413.031 and 413.019, DWC has determined the requestor is [not] entitled to additional reimbursement for the disputed services. It is ordered that Federal Insurance Co. must remit to Memorial Compounding Rx \$587.69 plus applicable accrued interest within 30 days of receiving this order in accordance with 28 TAC §134.130.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

September 10, 2021
Date

Your Right to Appeal

Either party to this medical fee dispute has a right to seek review of this decision under 28 TAC §133.307, which applies to disputes filed on or after **June 1, 2012**.

A party seeking review must submit DWC Form-045M, *Request to Schedule, Reschedule, or Cancel a Benefit Review Conference to Appeal a Medical Fee Dispute Decision (BRC-MFD)* and follow the instructions on the form. You can find the form at www.tdi.texas.gov/forms/form20numeric.html. DWC must receive the request within **20 days** of when you receive this decision. You may fax, mail, or personally deliver your request to DWC using the contact information on the form or the field office handling the claim. If you have questions about DWC Form-045M, please call CompConnection at 1-800-252-7031, option 3 or email CompConnection@tdi.texas.gov.

The party seeking review of the MFDR decision must deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with DWC. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** with any other required information listed in 28 TAC §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 1-800-252-7031, opción 3 o correo electrónico CompConnection@tdi.texas.gov.