



# 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 Co of North America

**MFDR Tracking Number**

M4-19-0315-01

**Carrier's Austin Representative**

Box Number 15

**MFDR Date Received**

September 21, 2018

#### REQUESTOR'S POSITION SUMMARY

**Requestor's Position Summary:** "This claim should be processed with the full amount billed as per Administrative Labor Code 134.503©."

**Amount in Dispute:** \$267.50

#### RESPONDENT'S POSITION SUMMARY

**Respondent's Position Summary:** "According to the label, medication contains Lidocaine which is an "N" drug. Therefore it was denied for lack of preauthorization."

**Response Submitted by:** ESIS

#### SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 4, 2018	Lenzapatch 4%	\$267.50	\$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

- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
- 28 Texas Administrative Code §134.502 sets out the procedures for pharmaceutical benefits.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
  - 62 – No proof of pre-auth

**Issues**

1. Is the carrier’s reason for denial of payment supported?

**Findings**

1. The requestor is seeking reimbursement of \$267.50 for a medication dispensed March 4, 2018. The carrier denied the disputed compound with claim adjustment reason code 62 – “No proof of pre-auth.”

For the dates of service in dispute the applicable rule is 28 Texas Administrative Code §134.530(b)(2) which states that preauthorization is **only** required for:

- drugs identified with a status of “N” in the current edition of the *ODG Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary*, and any updates;

Review of the Official Disability Guidelines (ODG), Appendix A found “Lidocaine” under Topical Analgesics is listed as a “N” drug. LenzaPatch: Generic name, (lidocaine & menthol) is a “N” drug and requires preauthorization. The carrier’s denial is supported. No additional payment is recommended.

**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

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

October 18, 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.**