



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

New Hampshire Insurance Company

MFDR Tracking Number

M4-19-0747-01

Carrier's Austin Representative

Box Number 19

MFDR Date Received

October 11, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The carrier has received the attached bill and has not processed according to Texas Labor Code 408.027."

Amount in Dispute: \$994.12

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Payment has been disputed as the medication was not found to be medically necessary."

Response Submitted by: Broadspire

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Rows include Lenzapatch 4%-1% and Compound Medication.

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

Preauthorization

The health care provider is required to obtain preauthorization for compounds prescribed prior to July 1, 2018 that contain an "N" drug in the ODG/Appendix A1.2 The health care provider is required to obtain

1 ODG Treatment in Workers' Comp (ODG) / Appendix A, ODG Workers' Compensation Drug Formulary, and any updates

2 28 Texas Administrative Code §134.530(b)(1)(B)

preauthorization for all compounds prescribed and dispensed after July 1, 2018.³

Medical Necessity

If a dispute over the medical necessity exists for the same service for which there is a medical fee dispute, that dispute shall be resolved prior to the submission of a fee dispute for the services.⁴

Issues

1. Is Memorial Compounding Pharmacy (Memorial) entitled to reimbursement for Lenzapatch 4%-1%?
2. Is Memorial entitled to reimbursement for the compound medication in question?

Findings

1. Memorial is seeking reimbursement for Lenzapatch 4%-1% dispensed on May 14, 2018. The insurance carrier denied the disputed service based on preauthorization. Preauthorization is only required for:
 - drugs identified with a status of “N” in the current edition of the ODG Appendix A⁵;
 - any compound that contains a drug identified with a status of “N” in the current edition of the ODG Appendix A; and
 - any investigational or experimental drug.⁶

The division finds that Lenzapatch 4%-1% includes Lidocaine, which is an “N” drug in the ODG/Appendix A. The documentation submitted does not provide evidence that a preauthorization was obtained. No reimbursement can be recommended for this service.

2. Memorial is also seeking reimbursement for a compound medication dispensed on May 14, 2018. The workers’ compensation insurance carrier denied payment to the requestor due to an unresolved medical necessity issue. The requestor was notified of the denial via an explanation of benefits issued in the manner and within the timeframe required by 28 Texas Administrative Code §133.240.

Additionally, the carrier presented a copy of documentation required by 28 Texas Administrative Code §133.307(d)(2)(I). Specifically, the carrier supported that it conducted utilization review and presented a denial based on adverse determination for the compound in question to the health care provider.

The division concludes that an unresolved medical necessity issue exists for the compound in dispute. Medical fee dispute resolution is not the proper venue for resolution of a medical necessity dispute.

The requestor is hereby notified that the correct remedy for resolution of a medical necessity denial is found at 28 Texas Administrative Code §133.308 titled *MDR of Medical Necessity Disputes*.

To initiate a request for resolution of a medical necessity denial, the health care provider should complete and file a DWC Form LHL009 titled *REQUEST FOR A REVIEW BY AN INDEPENDENT REVIEW ORGANIZATION (IRO)*. A copy of the form and the form instructions are attached.

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.

³ 28 Texas Administrative Code §134.530(b)(1)(C)

⁴ 28 Texas Administrative Code §133.305(b)

⁵ *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary*

⁶ 28 Texas Administrative Code §134.540(b)

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

March 20, 2019
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.