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
Harris Health System

MFDR Tracking Number
M4-19-1165-01

Carrier's Austin Representative
Box Number 21

MFDR Date Received
November 1, 2018

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "These medications do not require preauthorization therefore do not need a retrospective review."

Amount in Dispute: $284.50

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The bill was denied with CARC code 96-Non-Covered Charge. Bill note states, Peer review dated 2/4/2018 indicates no further treatment reasonable and necessary."

Response Submitted by: CareWorks Managed Care Services

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
March 28, 2018	Acetaminophen/Codeine #3 Tablets	$74.56	$25.33
March 28, 2018	Gabapentin 600 mg Tablets	$209.24	$193.68
	Total	$284.50	$219.01

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 §133.240 sets out the procedures for payment and denial of medical bills.
1. 28 Texas Administrative Code §133.305 sets out the procedures for resolving medical disputes.
2. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
3. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.
4. Texas Insurance Code, Chapter 19 sets out the requirements for utilization review.
5. The insurance carrier denied payment for the drugs in question based on medical necessity.

Issues

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

Findings

1. Per explanation of benefits dated April 17, 2018, the insurance carrier denied the disputed drugs based on medical necessity.

   If a dispute regarding medical necessity exists, the medical necessity dispute must be resolved prior to a request for medical fee dispute resolution.[1] A medical necessity denial of a medical bill must be based on an adverse determination by a utilization review agent.[2]

   The submitted documentation includes a report dated February 14, 2018, as support for utilization review of the disputed compound. This report does not support that the insurance carrier performed a utilization review of the compound in question for the following reasons[3]:

   - The document does not include a description for filing a complaint with the Texas Department of Insurance,
   - The document does not include information describing the processes for filing an appeal,
   - The document itself states, "These opinions and/or recommendations do not constitute a determination for the purposes of utilization review nor should these opinions and/or recommendations be used to make a determination as to medical necessity or appropriateness of care without complying with applicable rules. Any approvals or denials of appropriateness of care or medical necessity must be processed by a formal utilization review as outline in the adopted new rules regarding Title 28 Texas Administrative Code Chapter 19, Subchapter R, and Subchapter U."

   For these reasons, the insurance carrier's denial is not sufficiently supported. This dispute is not subject to dismissal based on medical necessity.

2. Because the insurance carrier failed to support its denial of payment for the disputed drugs, Memorial is entitled to reimbursement.

   The reimbursement considered in this dispute is calculated as follows[4]:

   - Acetaminophen/Codeine #3 tablets: (0.28435 x 60 x 1.25) + $4.00 = $25.33
   - Gabapentin 600 mg tablets: (2.529 x 60 x 1.25) + $4.00 = $193.68

   The total reimbursement is therefore $219.01. 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 $219.01.

[1] 28 Texas Administrative Code §133.305(b)
[2] 28 Texas Administrative Code §133.240(q), 28 Texas Administrative Codes §§19.2009 and 19.2010
[3] 28 Texas Administrative Code §19.2009(b)
[4] 28 Texas Administrative Code §134.503(c)

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 $219.01, 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 16, 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.